

**FBIS****DAILY REPORT  
CONTENTS***China*

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## PRC INTERNATIONAL AFFAIRS

## UNITED STATES

Reportage on President Reagan's Visit to PRC	B 1
Red Carpet Welcome Prepared	B 1
University Anticipates Visit	B 1
Reagan Comments on Trip	B 2
Spokesman on Security Measures [AFP]	B 3
PRC Scholar's Letter on Sino-U.S. Relations [RENMIN RIBAO 24 Apr]	B 3
Journal on Shift in U.S. Asia-Pacific Policy [BEIJING REVIEW No 16, 16 Apr]	B 5
Li Shude on Development of Sino-U.S. Trade	B 7
Commentary on Prospects for Sino-U.S. Trade [RENMIN RIBAO 25 Apr]	B 8
Officials View Sino-U.S. Economic Cooperation	B 11
Sino-U.S. Hydropower Forum Held in Nanning	B 12

## SOVIET UNION

USSR's Arkhipov To Visit China in Mid-May	C 1
PRC-USSR Border Trade Contracts Signed	C 1
Soviet Troops Stage Landing Exercises in SRV	C 1
USSR Expanding Military Activities in Cam Ranh Bay	C 2

## SOUTHEAST ASIA &amp; PACIFIC

PLA Frontier Guards Repulse SRV Invaders	E 1
Ji Pengfei Meets Visiting Hong Kong Delegations	E 2
Fetes Educators	E 2
Meets Broadcasters, Educators	E 2
Meets Educators	E 3
New Zealand Science Minister Ends Visit	E 3
Discusses Cooperation	E 3
Offers Antarctic Research Sites	E 3

## WESTERN EUROPE

Further on Visit by UK Minister of State Stanley	G 1
Xu Xin Hosts Banquet	G 1
Yang Dezhi Meets Stanley	G 1
Zhang Aiping Meets Minister	G 1
Peng Zhen Meets Austrian Science Minister	G 1
European Parliament President Defers Visit	G 2
FRG Telecommunications Minister Arrives for Visit	G 2
Li Peng Meets Minister	G 2
He Kang Meets FRG Agricultural Delegation	G 2
Italian Defense Commission President Arrives	G 3
New PRC Ambassador to Portugal Presents Credentials	G 3
Further PRC-UK Oil Surveys Begin in Yellow Sea	G 3

## EASTERN EUROPE

Ni Zhifu Meets SFRY Trade Union Delegation	H 1
SFRY, Romanian Delegations Meet Hu Yaobang	H 1

## MIDDLE EAST &amp; AFRICA

Zhao Ziyang Meets With Ethiopian Minister	I 1
Trade Protocols Signed	I 1

## PRC NATIONAL AFFAIRS

Wang Heshou Reports on Party Rectification	K 1
Editorial on Work Style [RENMIN RIBAO 22 Apr]	K 7
Commentator Urges Building Third Echelon [RENMIN RIBAO 20 Apr]	K 9
Commentator Views Support Role of Intellectuals [GUANGMING RIBAO 15 Apr]	K 10
RENMIN RIBAO on Case of Intellectuals in Xian [6 Apr]	K 12
Leaders Attend Beijing Art Performance	K 15
Song Renqiong Visits Sichuan's Dukou City	K 16
Zhao Ziyang Visits Shengli, Zhongyuan Oil Fields	K 17
Minister Li Ximing on Building Industry Reforms	K 19
Preparations Made for Guangdong Nuclear Plant	K 20
Easter Sunday Celebrated in Beijing, Other Cities	K 20
Well-Off Village Purchases Microcomputer	K 21
Seismic Surveys To Begin in South China Sea	K 21

## PRC REGIONAL AFFAIRS

## CENTRAL-SOUTH REGION

Reportage on 6th Hubei People's Congress	P 1
Congress Opens	P 1
Guan Guangfu at Group Discussions	P 1
Governor Gives Work Report	P 2
Hubei Opens New Prospects in Rectification	P 3
Hunan Forms Measures To Relax Price Controls	P 4
Hunan Advanced Worker, 'Reformist' Relieved of Post	P 5

## SOUTHWEST REGION

Guizhou People's Congress Enters Second Session	Q 1
Preparatory Meeting	Q 1
Session Opens	Q 1
Guizhou's Chi Biqing at Discipline Inspection Meeting	Q 3
NPC's Wang Renzhong at Sichuan Committee Meeting	Q 4
Xizang Opens Shannan to Foreign Tourists	Q 4
Kunming PLA Handles 'Irregular' Personnel Transfers	Q 5

## NORTH REGION

Zhou Hui Speaks at Nei Monggol Work Conference	R 1
Conference Closes	R 2

## NORTHEAST REGION

Zhao Xiu Reports to Jilin Congress Session	S	1
Economic Development	S	1
Government Work Reform	S	2
Guo Feng at Liaoning Party Rectification Meeting [LIAONING RIBAO 8 Apr]	S	3

## NORTHWEST REGION

Gansu CPC Committee Expels Former Party Official	T	1
Gansu People's Congress 2d Session Opens	T	1
Chen Guangyi Reports	T	2
Qinghai Leadership Readjustments End	T	3

## PRC MEDIA ON TAIWAN AFFAIRS

Taiwan Democratic League Official on Reagan Visit	U	1
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## TAIWAN

Commentary on Reagan Visit, U.S.-Mainland Trade	V	1
Commentary on Howe Visit, Hong Kong's Future	V	2

## HONG KONG MEDIA ON CHINA

Papers View Reagan China Visit, PRC-U.S. Relations	W	1
HSIN WAN PAO Column [24 Apr]	W	1
WEN WEI PO Editorial [25 Apr]	W	2
TA KUNG PAO Column [25 Apr]	W	3
HSIN WAN PAO Reports Wang Guangying Remarks [24 Apr]	W	4
Hong Kong Officials Hold Talks in Beijing	W	6
Relay PRC Thoughts on 1997 [SOUTH CHINA MORNING POST 25 Apr]	W	7

REPORTAGE ON PRESIDENT REAGAN'S VISIT TO PRC

## Red Carpet Welcome Prepared

OW250155 Beijing XINHUA in English 0131 GMT 25 Apr 84

["China To Give Red-Carpet Welcome to U.S. President Ronald Reagan" -- XINHUA headline]

[Text] Beijing, April 25 (XINHUA) -- China will give U.S. President Ronald Reagan a red-carpet welcome at a ceremony complete with a 21-gun salute on a plaza in the center of the Chinese capital tomorrow afternoon. Reagan is due to arrive here at around 14:00 hours (local time) on a six-day visit to China, government sources said here today. Li Xiannian, president of the People's Republic of China, will preside over the welcoming ceremony for the U.S. President and his entourage, the sources said. President Li will host a dinner for President and Mrs Reagan later in the evening.

Chinese leaders Hu Yaobang, Deng Xiaoping and Zhao Ziyang will meet the U.S. President on separate occasions, the sources said. Chinese Premier Zhao Ziyang, who visited the United States last January, will hold two rounds of talks with the U.S. President and host a welcoming banquet in the Great Hall of the People April 27. Chinese Foreign Minister Wu Xueqian will confer with his U.S. counterpart George Shultz April 28, the sources said. These talks, the sources disclosed, will cover international issues of common concern and bilateral relations.

While in Beijing, the U.S. President will make a 30-minute speech at a meeting sponsored by five non-governmental Chinese organizations at the Great Hall of the People April 27, and address students and teachers at Fudan University in Shanghai April 30. President and Mrs Reagan will tour the Great Wall at a point 75 kilometers northwest of Beijing April 28. Built more than 2,100 years ago, the 6,350-kilometer-long Great Wall is said to be the only man-made structure that can be seen with naked eyes from the moon. The U.S. President and his party will fly to Xian, an ancient city in northwest China, April 29 to see the several hundred life-size terracotta horses and armored warriors unearthed a decade ago from vaults near the tomb of Qin Shi Huang, the emperor who first unified China. The U.S. First Lady will see giant pandas at the Beijing Zoo in the northwestern suburbs of the Chinese capital April 27 and present to the China Wildlife Conservation Association donations she has raised in the United States in her "Pennies for Pandas" project.

## University Anticipates Visit

HK241211 Beijing ZHONGGUO XINWEN SHE in Chinese 0717 GMT 24 Apr 84

[Report by Wang Jian: "Fudan University Makes Preparations To Welcome Reagan" -- ZHONGGUO XINWEN SHE headline]

[Text] Shanghai, 24 Apr (ZHONGGUO XINWEN SHE) -- U.S. President Reagan will visit Fudan University in Shanghai on 30 April. He will meet with leading members, famous professors, and scholars of the university, answer questions from the students, and make a speech in the auditorium.



Authorities of Fudan University are actively making preparations for receiving President Reagan. President Reagan's visit has become the central topic among the university's students. The leading member of Fudan University feels that through his visit, the President of the United States will be given the opportunity to further understand the conditions and view of the Chinese people, the younger generation in particular, thereupon deepening the friendship between the peoples of the two countries. This will, in turn, advance the cooperation between the university and the educational circles of the United States.

This famous university, which has a history of close to 80 years, has 18 departments, 11 research institutes, a computer center, an analytical testing center, and so on. It now has over 4,500 teachers and staff, over 6,500 students, and over 1,100 postgraduates and foreign students.

In recent years there have been frequent contacts between Fudan University and the educational circles of the United States. According to updated statistics, among the 48 institutes of higher education abroad which have established interuniversity ties with Fudan University, 24 are in the United States, accounting for 50 percent. In addition, among the 20 foreign honorary professors and consultant professors, 19 are scholars having American citizenship. Broad contact has brought advantages to both parties. For example, Professor Yang Zhenning of New York State University at Stony Brook and Professor Gu Zhaohau, deputy director of Fudan University, have maintained a long-term cooperation in researching the "gauge theory," and the study of the "processing of data by computer using Chinese characters" has been carried on under co-operation between Fudan University and Cornell University of the United States. Both cases have made certain progress and achievements. Also the U.S. universities which have established interuniversity ties with Fudan University, have in recent years provided the latter with tens of thousands of copies of books and journals and over 200 documentary films for teaching.

#### Reagan Comments on Trip

DW251152 Beijing XINHUA in English 1145 GMT 25 Apr 84

["Reagan on His China Visit" -- XINHUA headline]

[Text] Washington, April 24 (XINHUA) -- U.S. President Ronald Reagan said in Honolulu today he will be holding a number of "significant" meetings with China's leaders on international and bilateral issues and said, "We hope to chart the direction of our relationship for the months and years to come." In a prepared departure statement as he left Honolulu for Guam, Reagan said: "U.S. -China relations are good, and I believe they can and will get better." "Close ties between our countries serve the interests of both our peoples," he said. He said, "The American people have always held the achievements of Chinese civilisation in the highest esteem and we have the warmest feelings of friendship for the Chinese people."

He said he was going to China "to convey this respect and friendship directly to the Chinese people, to hear their hopes and concerns and to express our readiness to co-operate with China in its ambitious efforts to modernise its economy." He also said: "We journey to China in a spirit of peace and friendship, realistic about our differences but desiring to build upon our common interests." He expressed the hope that countries in the Pacific area will make the world safer by building stronger economic relationships. "The Pacific basin is one of the fastest growing markets," he said. "America and her Pacific neighbors are nations of the future. We must work with our friends to keep the Pacific truly peaceful -- an ocean for commerce, not conflict."

U.S. Defense Secretary Caspar W. Weinberger, in a speech Monday night prepared for the Institute for Contemporary Studies in San Francisco, said the Reagan administration wants to strengthen relations with China. He said, "A strong, secure and independent China dedicated to peace is a positive force for peace and stability."

Spokesman on Security Measures

OW231049 Hong Kong AFP in English 1042 GMT 23 Apr 84

[Text] Beijing, April 23 (AFP) -- Effective security measures will be adopted for U.S. President Ronald Reagan's visit here later this week, a Foreign Ministry Information Department spokesman said today. Asked about reports that a bomb threat had been made against the Great Wall Hotel, where Mr Reagan is to give a banquet, the spokesman said, "We are making active preparations for the visit to China by President Reagan and effective security measures will be adopted."

Mr Reagan, who is due here Thursday, is to stay at the Diaoyutai official guest house. He is scheduled to go to the Great Wall Hotel once during his stay to give a dinner Saturday marking the end of his talks with Chinese leaders in Beijing. Mr Reagan leaves China on May 1.

PRC SCHOLAR'S LETTER ON SINO-U.S. RELATIONS

HK241139 Beijing RENMIN RIBAO in Chinese 24 Apr 84 p 6

[Letter to the editor dated 22 April 1984 from Hu Youe, member of the CPPCC National Committee and research fellow of the Chinese Academy of Social Sciences: "My Views on the Development of Sino-U.S. Relations"]

[Text] Comrade Editor:

Since the establishment of diplomatic relations between the PRC and the United States, we have happily seen that the relations between the two countries have greatly developed and that the two countries have achieved no small progress in mutual cooperation and exchanges in the political, economic, scientific and technological, and cultural fields. This entirely conforms with the interests of the two countries and world peace. However, we should not fail to see that during the short period of 5 years, since the establishment of diplomatic relations between the two countries, the development of Sino-U.S. relations has by no means been smooth sailing and that there have been some twists and turns and that there are still obstacles to and difficulties for this development. This is what the Chinese people, who demand a smooth development of the friendly relations between China and the United States, do not want to see.

I believe that in the interests of both China and the United States, in the interests of world peace, and in order to achieve a smooth development of the friendly relations between the two countries, we must strive to remove the difficulties and obstacles in the path of the development of Sino-U.S. relations.

It is undeniable that the Taiwan issue is the main obstacle in the development of Sino-U.S. relations. In 1979 the U.S. Congress approved the "Taiwan Relations Act," which interferes in our country's internal affairs, encroaches on our country's sovereignty, greatly harms the national feeling of the people in our country, and thus hinders the stable and steady development of Sino-U.S. relations.

We welcome President Reagan's reiterated declaration on observing the principles of the three communiques -- the "Shanghai Communique," the "Communique on the Establishment of Diplomatic Relations," and the "August 17 Communique." However, what we hope is not only to hear some promises, but to see that these promises have been conscientiously carried out in actuality. In 1982 China and the United States jointly published the "August 17" communique, in which the United States promises: "It will not pursue the implementation of a policy on selling weapons to Taiwan for a long time, the weapons that it sells to Taiwan will not exceed in quality and quantity what it has supplied to Taiwan in the few years since the establishment of diplomatic relations between the PRC and the United States, and it plans to annually reduce its arms sales to Taiwan and will effect a final solution of this problem after a certain period of time." It has been more than 1 year since the publication of this communique, but the United States has not reduced the quantity of weapons that it has sold to Taiwan; on the contrary, the quality of the weapons sold to Taiwan has even improved. The Chinese people have been very much dissatisfied by this. Recently the Taiwan authorities have been intensifying their activities and raised a demand to the United States for the supply of high quality weapons. They have clamored that Taiwan's task of first priority in its relations with the United States is to make a breakthrough in getting supplies of weapons from the United States, including the supply of FX fighter planes. In the United States there has also been a small number of congressmen who have correspondingly worked hard for this purpose. It is very clear whether they have done this in order to promote Sino-U.S. friendship or in order to undermine Sino-U.S. relations. Therefore, this can only arouse our close attention.

Taiwan is an inseparable part of our country's territory, and the Taiwan issue is entirely China's internal affair and must be solved by the Chinese people on both sides of the Taiwan Strait. In solving the Taiwan issue, which is completely our country's internal affair, naturally, we cannot and need not give any pledge to another country. On the one hand, the U.S. Government has time and again expressed that it recognizes only one China and the PRC Government as the only legitimate Chinese government and that it shows concern for the peaceful solution of the Taiwan issue; on the other hand, it has persisted in selling weapons to Taiwan and thus seriously interfered in our country's internal affairs. This has, in fact, encouraged the Taiwan authorities to refute the realization of the reunification of our motherland through peaceful talks and hindered the peaceful solution of the Taiwan issue. Is this not obviously self-contradictory?

The unification and territorial integrity of the state is a goal for which the Chinese people have carried out nearly 100 years of struggle. The Chinese Government has made up its mind to get Taiwan to return to the motherland by peaceful means and thus realize the peaceful reunification of our motherland. It must be easy to understand our pursuit of this kind of national interest and our strong national feeling. We have also won the sympathy and support of world public opinion, including the public opinion of the U.S. people. We hope that through the common efforts of the two countries, we will finally reach the point where the Taiwan issue is no longer the main obstacle to the development of Sino-U.S. friendly relations. During this period, in which the U.S. Congress has not yet abrogated the "Taiwan Relations Act," the U.S. Government ought to act in accordance with the accepted norms of international relations and abide by the principles of the three communiques which the two countries have already signed. If it acts in this way, the prospects for the establishment of a stable and lasting relationship between the two countries and the continuous development of this friendly development will be bright, very hopeful, and guaranteed.



JOURNAL ON SHIFT IN U.S. ASIA-PACIFIC POLICY

HK240304 Beijing BEIJING REVIEW in English No 16, 16 Apr 84 pp 12, 13

[Article by Xi Linsheng: "United States -- Shifts in Its Asia-Pacific Policy"]

[Text] Lawrence Eagleburger, former U.S. under-secretary of state, recently said that the United States might have to turn away from Europe and towards the Pacific rim countries because of the grave differences between Washington and its West European allies. Although following unfavourable reactions in Western Europe to his statement, he changed his tune, emphasizing the importance of the Atlantic alliance to U.S. politics and security, it is nonetheless clear that in view of global strategic needs, Washington will have to get involved in the Pacific rim.

During the last 10 years and more there have been major shifts in U.S. foreign policy towards the Pacific area. In 1969, then President Richard Nixon delivered a speech -- the Nixon (or Guam) Doctrine -- in which he declared Washington would adopt an austerity policy regarding Asia and pull back troops from continental Asia to the Guam Island line. At the same time it strengthened its military presence in Europe, where its rivalry with Moscow picked up shortly after the Vietnam War. Later President Jimmy Carter, following his predecessor's policy, considered a reduction in U.S. troops stationed in South Korea.

Two events changed the U.S. perception of the Asian situation. The first was the invasion of Kampuchea in 1978 by Vietnam, backed by the Soviet Union. The second was the invasion of Afghanistan by the Soviet Union the following year. In the wake of this military adventurism, the Carter administration recognized that the Middle East and Asia are areas of strategic importance to U.S. interests. It made efforts to safeguard U.S. interests in these regions, but its military strength was insufficient at the time to cover Asia and the Pacific rim. However, once Ronald Reagan took office the United States, in a change of tactics, strengthened its military presence in these regions.

The Reagan administration has several reasons -- economic, political and strategic -- for readjusting its foreign policies. Since the 1970s the Asia-Pacific region has experienced a rapid economic growth. While the growth rate of gross national product (GNP) in 1979 in the United States and Western Europe was between zero and 2.5 percent as the Western economic crisis began, in Asia GNP grew by 4 to 5.5 percent. In the past few years the value of U.S. trade with Asian countries has surpassed that with Europe. In 1982 exports to Asia and the Pacific rim accounted for 34.8 percent of U.S. foreign trade, while its exports to Europe accounted for only 25.7 percent. Some Americans have even said that the world's economic focus has shifted to Asia and the Pacific rim.

From the point of view of international politics, Washington and Moscow are stalemated in Europe. Although Europe is still the key to U.S. foreign strategy, conflicts between Washington and its West European allies over their policies towards the Soviet Union and their views on East-West relations have intensified. Western Europe has exhibited more and more political independence.

At the same time the United States has been facing an increased challenge in the Asia-Pacific region, with it and the Soviet Union locked in fierce rivalry. Reagan's hard-line policy towards the Soviet Union has won wide support from many Asian nations, Australia and New Zealand, making it possible and necessary for Washington to expand its military force in the region.

After World War II U.S. military strength in the Pacific was superior to that of the Soviet Union, but since 1978 the Soviet Union has greatly strengthened its forces in the region. Soviet troops stationed in the Far East have been increased from 20 divisions in the mid-1960's to 53 divisions today. The number of tanks has tripled and the number of combat helicopters quadrupled.

The Soviet Pacific Fleet, once lagging far behind the U.S. Seventh Fleet, now comprises 820 warships, 455 aircraft, several aircraft carriers and numerous nuclear submarines. The Soviet fleet is active from the north Pacific and the Sea of Okhotsk down through the Sea of Japan, the South China Sea, the western Pacific and the Straits of Malacca, where it can link up with Soviet warships and fighters in the Indian Ocean.

As well, the Soviet Union has built up its military strength on the four northernmost islands of the Japanese archipelago and in the Sea of Okhotsk, near the U.S. Aleutian Islands. It has deployed 126 SS-20 medium-range missiles, which can hit Japan and North America.

Faced with this situation the Reagan administration has decided to readjust its foreign policy regarding the Asia-Pacific region. First, Washington has increased its military presence in the Pacific Ocean, strengthening the Seventh Fleet with nuclear-powered aircraft carriers and submarines equipped with cruise missiles. Second, U.S. troops have been increased to 150,000 and more combat aircraft have been sent to Asia. Third, Washington also strengthened its intelligence forces and reconnaissance work to keep a close watch on Soviet air and naval movements in the northwestern Pacific. And fourth, more military bases have been built in Asia. These efforts are aimed at preventing Moscow from gaining a military superiority in Asia.

Washington sees this region as an important factor in the recovery of the Western economy. In recent years it has held frequent consultations with Japan and South Korea, and had regular meetings with ASEAN countries to discuss economic matters. Apart from large amounts of U.S. investment and economic assistance, it plans to increase its foreign trade with the Asia-Pacific region from US\$150,000 million to \$5,000,000 million in 10 years.

The United States has had frequent diplomatic exchanges with Asian and Pacific countries since Reagan took office. Washington is trying to strengthen economic cooperation with Asian countries, and build a force capable of effectively checking or countering Soviet expansion, especially by paying much attention to Japan and Korea.

The United States, moving away from its original cool and aloof attitude, has established foreign ministerial meetings with ASEAN countries. The Reagan administration firmly supports ASEAN's stand on the Kampuchea issue and is providing the ASEAN countries with more economic and military assistance.

The U.S. Government has also given a new impetus to the Australia-New Zealand-US (ANZUS) military alliance, which had been quiet for a long time. At a recent ANZUS council meeting the three countries reiterated their common obligation and task to safeguard Pacific security.

With the United States paying greater attention to the Asia-Pacific region, the two superpowers will inevitably speed up their military buildup and intensify their rivalry in this part of the world. People all over the world are closely watching what influence will be exerted on the U.S.-Soviet rivalry in Europe as Washington readjusts its foreign policy and what influence it will exert on the U.S.-European relationship.

LI SHUDE ON DEVELOPMENT OF SINO-U.S. TRADE

HK241100 Beijing ZHONGGUO XINWEN SHE in Chinese 0857 GMT 24 Apr 84

[Report: "Sino-U.S. Trade and Economic and Technical Cooperation Are Continuously Developing" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing 24 Apr (ZHONGGUO XINWEN SHE) -- Li Shude, director of the third department of the Ministry of Foreign Economic Relations and Trade, said: Bilateral trade between China and the United States has been growing rapidly over the past few years. From 1979, when the two countries established diplomatic relations, to 1983 the total volume of bilateral trade between the two countries reached \$22.1 billion [figure as received], and the average annual growth rate was 45 percent. He expressed the hope that the further improvement of political relations between China and the United States will create a better atmosphere for the development of economic relations between the two countries.

In an article carried by a supplement on Sino-U.S. economic cooperation and trade in the newspaper GUOJI JINGMAO XIAOXI [INTERNATIONAL ECONOMIC AND TRADE INFORMATION], which will be published on 26 April Li Shude said: In 1972 the volume of trade between China and the United States amounted to almost zero, but during the short period of more than 10 years the United States has become China's third largest trading partner. Goods imported by China from the United States were mainly wheat, corn, soybeans, cotton, timber, chemical raw materials, paper pulp, and some other farm and forest products in the past, but now China has begun to import large mechanical and electronic equipment, including airplanes, equipment for producing synthetic ammonia, equipment for ground stations for satellite communications, equipment for refining petroleum, computers, and other electronic apparatuses, from the United States. In particular, since the two countries held the first meeting of their joint committee for commercial and trade affairs in May 1983, China has markedly increased the proportion of technology and advanced equipment imported from the United States from 2.5 percent in 1982 to 14 percent as of now.

However, Li Shude pointed out that China's potential for importing technology and equipment from the United States are still far from being fully tapped. The development of China's exports to the United States lags far behind that of its imports from the United States. Presently the value of China's exports to the United States amounts to only \$1.6 billion, 0.65 percent of the total volume of its imports from the United States. From 1972 to 1983 China incurred an adverse balance of \$11.8 billion in trade between the two countries.

Regarding the economic and technological cooperation between the two countries. Li Shude said that up to the end of 1983 China and the United States had signed agreements on more than 100 economic and technological cooperation projects. U.S. investment in China ranks first in the investments made by foreign countries, and its investment in exploiting offshore oilfields alone accounts for 53 percent of the total investment made by other foreign countries in China.

Economic and trade relations between China and the United States have not been plain sailing [yi fan feng shun 0001 1581 7364 7311]. Li Shude pointed out that difficulties and obstacles have yet to be overcome by both sides. In particular, there are still some outdated legal provisions in the United States which are affecting the normal development of economic and trade relations between China and the United States. Although U.S. policy on transferring technology to China has been relaxed a little, its thorough implementation remains to be proved in practice. Also, the United States is gradually restricting its imports of China's commodities.



In particular, its restrictions on the imports of China's textiles and the so-called "antidumping" cases cannot but have negative effects on Sino-U.S. trade. He expressed the hope that China and the United States will constantly improve their political relations so as to create a better atmosphere for developing economic relations.

COMMENTARY ON PROSPECTS FOR SINO-U.S. TRADE

HK251015 Beijing RENMIN RIBAO in Chinese 25 Apr 84 p 6

["Special Commentary" by Yong Zhen: "Sino-U.S. Economic and Trade Relations Have Broad Prospects"]

[Text] Since U.S. President Nixon visited China in 1972, and China and the United States later established diplomatic relations, the economic exchanges, trade, and cooperation have developed daily and fine achievements have been scored. During the past few years the Chinese and U.S. Governments have successively signed an agreement on trade relations, civil aviation, ocean shipping, two agreements on textiles, a long-term agreement on grain, an agreement on investment insurance and mutual exemption of freight income taxes for ocean shipping and aviation enterprises. This January, when Premier Zhao Ziyang visited the United States, he and President Reagan signed an agreement on industrial technological cooperation between the two countries. In September 1980 the Chinese and U.S. Governments set up a joint economic committee, which has since held four meetings. In May 1983 they set up a Sino-U.S. joint commercial committee, which will hold its second meeting in May this year.

During the 5 years, since the establishment of diplomatic relations between the two countries, trade between the two countries has grown quickly, at an average annual growth rate of 45 percent. In 1983 the volume of trade between China and the United States totaled \$4.45 billion. The United States has continued to maintain third place among China's foreign trade partners. Other forms of economic relations have also developed relatively quickly. For example, by the end of 1983 there were already 20 joint venture enterprises using Chinese and U.S. investment, in which U.S. investment totaled more than \$88.4 million. The scope of business of these enterprises included the exploitation of energy, instruments for automation, the manufacture of jeeps and production of consumer goods for daily use. There has also been considerable development in the management and development projects of Sino-U.S. cooperation. For example, 13 U.S. corporations have taken part in signing 12 petroleum prospecting contracts on exploiting China's offshore petroleum, and their investment has totaled nearly \$600 million. An intermediate agreement has already been signed on Sino-U.S. cooperation in mining coal in Fingshuo. The United States ranks first among all foreign countries in the amount of investment in China.

In the field of technological transfer, as China's demand increases and the U.S. Government gradually relaxes its restriction on the export of technology to China, during the past years the trade of technological products has also markedly increased. The industrial circles of the two countries have signed contracts for more than 100 projects of economic and technological cooperation and they are now discussing some large projects concerning coal mining, transporting coal through pipes, exploitation of offshore oil, hydroelectric power stations, aircraft manufacture and other undertakings. The industrial technological cooperation agreement signed by the leaders of the two countries last January has further provided even more favorable conditions for technological exchanges between China and the United States. Lionel H. Olmer, under secretary of the U.S. Department of Commerce said: "In the coming 2 years the export of high-grade technological products to China will perhaps exceed \$2 billion."

Sino-U.S. economic relations in other forms have also developed to a different degree. What should be particularly mentioned is that as our country is advancing the open-door policy, an American company -- the Minnesota Mining and Manufacturing Company -- has signed with the organization concerned in Shanghai a memorandum on establishing an enterprise, which will be wholly owned by American capitalists, to produce electrical products. It will become the first 100 percent foreign-owned enterprise in a Chinese city outside of the special economic zones. Presently an increasing number of American companies have been planning to open enterprises wholly owned by themselves in China.

(Natter), a famous expert and vice president of the Stanford International Consulting Institute, recently gave a representative view in China: "More and more American enterprises have become interested in investing in China."

With the advance of the four modernizations in China, Chinese foreign economic and trade relations will further expand and develop. By the end of this century, as the total industrial and agricultural output value increases by 400 percent, the foreign trade volume will also quadruple to \$160 billion each year. Recently the Chinese Government decided to open up 14 coastal cities to foreign investment; more flexible policies have been adopted. These measures will increase our vigor in foreign economic activities, and will accelerate our pace in bringing in foreign capital and advanced technology. The State Council of China has decided to import 3,000 items of advanced technology between 1983 and 1985 and use them to transform existing enterprises and promote their technological progress. In order to create more favorable investment circumstances, China has paid special attention to the construction of a sound legal system, while adopting more favorable economic policies. For example, our government has promulgated more than 30 laws and regulations concerning foreign economic activities. Presently important laws and regulations in this field which are under formulation include the law on foreign trade, the law on foreign economic contracts, the company organic law, the foreign-owned enterprise law, and the law on Sino-foreign cooperation projects. This will all provide favorable conditions for the further development of Sino-U.S. economic and trade relations. During his visit to the United States Premier Zhao Ziyang said: "Opening up to the outside world has been definitely taken as a basic national policy which will be carried out by the Chinese Government for a long time. This provides a reliable and fundamental guarantee for all foreign countries and industrialist and business circles in the United States to develop their economic and trade relations with China."

Presently both official and unofficial economists in the United States are optimistic about the prospects for Sino-U.S. economic and trade relations. For example, Mr Sullivan, vice president of the National Council for U.S.-Chinese trade, recently said at a hearing of the Asia-Pacific Affairs Group of the Foreign Affairs Subcommittee of the House of Representative that the total trade volume between China and the United States in 1984 is expected to reach \$5.5 to \$6 billion, an increase of 30 percent over last year. Wolfowitz, U.S. assistant secretary of state, said: According to an estimate made by the Department of Commerce, in the field of high technology -- an important field in the technological cooperation between the two countries -- the sales of the U.S. side alone will increase to \$1.5 billion in 1984. Lawson, deputy assistant secretary of commerce for East Asia and the Pacific, said: "The future of U.S.-Chinese trade is bright." He said: "I myself, like the entire U.S. Government, feel very sanguine about the prospects for China trade."

Of course, we have also noticed that there presently still exist some difficulties and obstacles in development of Sino-U.S. economic trade, mainly some restrictive policies adopted by the U.S. Government toward China.

For example, the U.S. side imposes too many restrictions on the import of Chinese commodities, textile products in particular; the United States still fails to give general preferential treatment to China to this date; despite agreements reached long ago by the two countries on the issue of a most-favored-nation treatment, the U.S. Congress must discuss and examine it annually. In the field of sea transportation the United States still fails to accord China most-favored-nation treatment. On the issue of technological transfer, although the United States has transferred China from Group P to Group V in the export control grouping law, this has to pass national security examination and be examined by the Paris Coordinating Committee for Export Control. China is now the only country in Group V which must pass through U.S. national security examination and must be examined by the Paris Coordinating Committee for Export Control. As for China's huge trade deficit to the United States over the past several years, the United States should have provided the necessary convenience to help China. In China the work of introducing foreign capital has just begun, relevant laws are gradually being perfected, and the Chinese Government will do its utmost to further implement the policy of being open to the world and to make relevant measures more perfect. We hope that the U.S. side can take proper and active steps to resolve relevant problems as soon as possible so as to promote further development of bilateral economic and trade relations.

The development of economic and trade relations between China and the United States accords with the fundamental interest of the two countries and also meets the common desire of both peoples. Just as President Reagan pointed out not long ago: "We can cooperate in some fields of the industrial modernization which is being carried out in the People's Republic. This is beneficial to both countries." Some people in U.S. trade circles also said: Sino-U.S. economic cooperation "has laid down a foundation for U.S. business circles to make investments and arrangements in industrial projects in a developing country with the largest population in the world." Today more and more people in U.S. industrial circles are interested in developing economic and trade relations with China, because they have realized that a politically stable and economically developing China and China's open foreign policy will provide opportunities to gain interest. In the United States, however, there are still a handful of people who obstinately assert that China alone will benefit from the United States in developing Sino-U.S. economic cooperation. Obviously this idea is untenable. We believe that safeguarding the principle of equality and mutual benefit and smoothly developing Sino-U.S. economic and trade relations not only benefits China's four modernizations, but also directly concerns the interests of U.S. industrial circles.

When visiting the United States Premier Zhao Ziyang said: "The United States is the most developed country with the most powerful economic and technological strength in the world. China is the largest developing country in the world. There will be boundless potential for our two countries to develop economic and trade relations on the basis of equality and mutual benefit. We have every reason to wish continuous and steady development of the relations."

Let the governments and the peoples of China and the United States make joint efforts, bring into play the boundless potential of the two sides, and further develop the equal and mutually beneficial economic and trade relations between the two countries.



OFFICIALS VIEW SINO-U.S. ECONOMIC COOPERATION

OW251054 Beijing XINHUA in English 1030 GMT 25 Apr 84

[Text] Beijing, April 25 (XINHUA) -- Tang Ke, Chinese minister of petroleum industry, writes that China attaches importance to cooperation with U.S. oil industry and science and technology circles because it is in the interests of both countries. In an article in the supplement of the paper INTERNATIONAL ECONOMIC AND TRADE NEWS to be published here tomorrow, Tang Ke says China signed contracts with 12 U.S. oil firms between 1982 and 1983 on joint exploration and development of China's offshore oil resources. The total value of contracts signed between the two countries in the 1979-1983 period for onshore oil exploration and development went up year by year, with the 1982 sum topping 300 million U.S. dollars, the Chinese minister says.

Other articles by well-known Chinese economic and trade officials in the paper published by the Ministry of Foreign Economic Relations and Trade, review the growth of economic relations and trade between China and the United States and discuss their prospects. Li Shude, a department director in the Ministry of Economic Relations and Trade, notes that Sino-U.S. trade was almost nil in 1971 when President Richard Nixon visited China. Eleven years after, he says, the U.S. has become the third largest trade partner of China, after Japan and the Hong Kong region. In his article entitled "In Beijing, the Door Is Open to Economic and Technical Cooperation With the U.S." Mayor of Beijing Chen Xitong says that U.S. investment in whatever form, with fund, advanced technology or equipment, is welcome in Beijing. U.S. firms may run independent enterprises or joint ventures or conduct compensation trade and coproduction on the principle of equality and mutual benefit, the mayor says. Jin Deqing, president of the Bank of China, writes that the bank has had direct business relations with more than 90 commercial banks in the United States. This makes it convenient for the two sides to move funds and settle trade and non-trading accounts. The Bank of China also has contacts and business relations with the U.S. Import and Export Bank as well as some investment corporations, which form a good foundation for expanding cooperation in the monetary field. Zou Siyi, chairman of the board of directors and president of the China United Trading Co. Ltd. in New York, reviews the business transactions the corporation has concluded since February 1, 1982. He says that the trend for Sino-U.S. trade is good. In particular, he adds, the U.S. Government's relaxation of restrictions on exports to China will be conducive to China's import of technology and certain products from the United States.

The newspaper also carries interviews by its reporters with resident representatives of U.S. firms, noting that "U.S. business people in Beijing are confident of the development of Sino-U.S. trade." In an interview with the paper, Melvin W. Searls, commercial counsellor at the U.S. Embassy here, says that U.S.-China trade will develop in the direction of cooperation in sophisticated technologies, transportation and energy. Technology transfer will make up a large proportion. He expects that total volume of U.S.-China trade this year will reach 5.5 billion to 6 billion U.S. dollars. Sino-U.S. trade in 1983 was 4.4 billion U.S. dollars.

SINO-U.S. HYDROPOWER FORUM HELD IN NANNING

HK250022 Nanning Guangxi Regional Service in Mandarin 1130 GMT 20 Apr 84

[Text] In accordance with the arrangement of Appendix 2 to the Sino-U.S. protocol on cooperation in hydropower development, the second technological forum on the comprehensive exploitation of river resources through Sino-U.S. cooperation took place between 9 and 19 April in Nanning. Together, specialists of the two countries discussed matters relating to acceleration of the pace in the exploitation of the Hongshui He.

Prior to the forum a 10-member delegation of U.S. hydropower specialists headed by Mr Berryman, member of the board of the Tennessee Valley Authority, spent 5 days visiting and inspecting the hydropower projects of Longtan, Yantan, and Dahua. The specialists of the two countries then exchanged broad views on the planning, surveying, designing, construction, and flood prevention in the active exploitation of the Hongshui He.

The U.S. specialists believe that the planning for the 10 hydropower stations along the Hongshui He is reasonable and feasible by constructing large reservoirs in its upper valley, and steady flow hydropower stations in its middle and lower valleys. It is proposed that the Longtan hydropower station be constructed as soon as possible; it will not only have a high efficiency in power generation, but will play a tremendous role in preventing floods in the Zhu Jiang Delta areas in its lower valley. It is necessary, in the unified planning of the realignment of the river, to consider the effects of comprehensive utilization, which includes flood prevention, electricity generation, water transportation, irrigation, reclamation of land, water and soil conservation, ecological protection, fishery development, animal husbandry, forestry, and tourist industries. The problem of raising funds for the project has also been studied. They feel that the project of exploiting the Hongshui He is very attractive, and it is entirely possible to utilize foreign funds.

Li Roding, general engineer of the Ministry of Water Resources and Electric Power, and other Chinese hydropower specialists maintain that the technological exchange between Chinese and American hydropower specialists has been very helpful. The specialists of the two countries share many common views on accelerating the exploitation of the Hongshui He. It is the current principle of our country in hydropower construction to accelerate the pace, shorten the construction period, and lower the per-kilowatt cost of investment. We will accelerate the pace in the construction of the hydropower stations of Tianshengqiao, Yantan, and Dahua, and the preparations for the construction of the Longtan hydropower station, and strive to have it under construction during the seventh 5-year plan.

The first forum on comprehensive exploitation of river resources through Sino-U.S. cooperation was held in the United States last April. The specialists of the two countries believe that through these technological exchanges they have deepened their mutual understanding, promoted friendship, and have laid a foundation for further cooperation in the future.

During the current session Wei Chunshu, chairman of Guangxi Zhuang Autonomous Region People's Government, met the U.S. specialists' delegation and held a banquet in their honor.

The U.S. specialists' delegation left Nanning today and will visit and inspect Guangzhou.

I. 25 Apr 84

PRC INTERNATIONAL AFFAIRS  
SOVIET UNION

C 1

USSR'S ARKHIPOV TO VISIT CHINA IN MID-MAY

OW250758 Beijing XINHUA in English 0752 GMT 25 Apr 84

["Soviet First Vice-Chairman To Visit China in Mid-May" -- XINHUA headline]

[Text] Beijing, April 25 (XINHUA) -- Ivan Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union, will visit China in mid-May at the invitation of the Chinese Government, a Chinese Foreign Ministry spokesman announced here today.

PRC-USSR BORDER TRADE CONTRACTS SIGNED

OW241723 Beijing XINHUA in English 1456 GMT 24 Apr 84

[Text] Hohhot, April 24 (XINHUA) -- Goods exchange contracts were signed on April 21 by the Trade Corporation of the Inner Mongolia Autonomous Region and the Far East Foreign Trade Corporation of the Soviet Union. The contracts, signed in the Soviet city of Nakhodka, call for large increases over 1983 in the value and variety of goods traded.

During the ten-day negotiations, the two trade delegations expressed their hopes for expanded Sino-Soviet border trade and agreed to hold future negotiations on more contracts.

A delegation led by Chang Wanfu, general manager of the Trade Corporation of Inner Mongolia, returned home on April 21.

SOVIET TROOPS STAGE LANDING EXERCISES IN SRV

OW180850 Beijing XINHUA in English 0820 GMT 18 Apr 84

[Text] Tokyo, April 18 (XINHUA) -- More than 400 Soviet naval troops staged landing exercises along the Vietnamese coast 160 kilometers south of Haiphong Port on Sunday, it was reported here today. According to YOMIURI SHIMBUN, the exercises, the first Soviet military game performed in Vietnam, involved the Nikolayev landing ship, a Kiev class aircraft carrier and seven other warships. The Japanese paper pointed out that although the exercise was comparatively small in scale, it nevertheless served as an important indication of the Soviet Union's interest in deepening its foothold in Vietnam. It said that the Soviet Union is making extensive use of the military facilities at the former U.S. naval base of Cam Ranh Bay in which the United States had invested hundreds of millions of dollars. Cam Ranh Bay is seen as a desirable location from which to maintain surveillance of Southeast Asia, for troops can be readily dispatched from there to trouble spots throughout the Pacific. The newspaper also reported that a few months ago the Soviet Union deployed a number of TU-16 bombers at Cam Ranh Bay and has used reconnaissance planes to monitor the maneuvers of the U.S. Seventh Fleet in the region.



USSR EXPANDING MILITARY ACTIVITIES IN CAM RANH BAY

OW212355 Beijing Domestic Service in Mandarin 1150 GMT 20 Apr 84

["International Current Events" program talk: "Soviet Military Activities at the Cam Ranh Bay Base"]

[Excerpts] The fine geographical conditions and great strategic value of Cam Ranh Bay drew the attention of Tsarist Russia as early as 80 years ago. In the 1904 Russo-Japanese War, the Russians dispatched the Baltic Fleet to fight against Japan. The fleet came a long way. It passed the Cape of Good Hope, sailed through the Strait of Malacca, and stopped at Cam Ranh Bay for maintenance and other preparatory work before sailing to the Tsushima Strait to meet the Japanese Navy.

In recent years the Soviet Union has adopted Cam Ranh Bay as an important military base and has stepped up its military activities there in an effort to carry out its southward strategy. With the commencement of Vietnam's aggression against Kampuchea, the Soviet Union used its support for this aggression in exchange for the right to use Cam Ranh Bay. In early September 1979, an advance Soviet team arrived there. In early 1980, Soviet military personnel continued to arrive with incessant shipments of weapons and equipment. Now Cam Ranh Bay has become a military base used solely by the Soviet Union; even Vietnamese aircraft and warships cannot pass through the area.

Over the past 5 years or so Soviet military forces have increased rapidly in Cam Ranh Bay. It has been revealed that inside the bay, the Soviet Union has established a naval command, an intelligence reconnaissance center, and a satellite communications station, and has installed long-range, high-frequency strategic electronic monitoring equipment. This has turned the bay into a military base with facilities for combat command, intelligence reconnaissance, communications, equipment maintenance, and logistical support.

As revealed by the Japanese Defense Agency, over 30 Soviet warships of various kinds are usually anchored in Cam Ranh Bay. Soviet ships and submarines constantly set out from the bay to cruise the South China Sea, the area west of Subic in the Philippines, the Bashi Channel, and the Strait of Malacca. To direct the activities of its submarines in the South Pacific area and to maintain communications with other military bases in the Far East, the Soviet Union has set up a long-range electronic monitoring station in this bay.

According to Thai intelligence sources, the Soviet Union has built five floating docks and some floating wharves, capable of repairing and doing maintenance work on its naval vessels. The Soviet Union has also beefed up its air force in Cam Ranh Bay. Over the past few years it has dispatched to this bay PU-95 electronic reconnaissance planes, BE-12 and T-25 antisubmarine patrol planes, YGT-42 jet planes, and a flight group composed of PJ-22 strategic bombers. It is reported that the Soviet Union has made increased efforts to build new military installations and expansion projects on the basis of the facilities originally available in Cam Ranh Bay.

The Soviet military presence in Vietnam's Cam Ranh Bay constitutes a serious threat to peace in the Asian-Pacific area. At present, the Soviet regular armed forces and medium-range nuclear weapons in this area have surpassed those of the United States. Since the Soviet Union extended its forces to Indochina and Afghanistan, and especially since it gained a strategic foothold in Cam Ranh Bay, it has posed a direct threat to the passageway between the Pacific and Indian Oceans.

With the superpowers further intensifying their rivalry in the Asian-Pacific area, the increased Soviet military deployment in Cam Ranh Bay has added to the crisis and hidden peril in this part of the world.

PLA FRONTIER GUARDS REPULSE SR INVADERS

OW202343 Beijing XINHUA Domestic Service in Chinese 1516 GMT 20 Apr 84

["'Deal Hard Blows at Invaders,' by XINHUA Reporter and Correspondent" -- XINHUA headline]

[Text] Beijing, 20 Apr (XINHUA) -- On numerous occasions, our heroic frontier guards and border defense militia in Guangxi and Yunnan have annihilated Vietnamese armed personnel intruding into our territory and dealt heavy blows at these invaders.

#### Annihilating the Invaders Near Guile

On the foggy morning of 15 April, commune members in Wangmo village, Ningming County, Guangxi, were busy transplanting rice, while a militia detachment assigned the task of protecting farm work, led by the commune's armed cadre Luo Wenju, was keeping a vigilant eye on the movements of Vietnamese troops.

At 1030 [0230 GMT] militiaman Li Yangsheng reported: "Some enemy have been discovered!" Looking in the direction indicated, Luo Wenju saw that four Vietnamese soldiers, carrying carbines, had intruded about 1 kilometer into our territory, and were sneaking towards the commune members working in the fields, while three other Vietnamese soldiers were moving up a hill on our flank, and observing us. Luo Wenju immediately sent word for the masses to withdraw and, at the same time, divided the militiamen into three combat groups, and ordered them to take up positions, using favorable terrain. At this moment, the Vietnamese soldiers opened fire on our militia detachment. Our militiamen, He Zhenxiong and Nong Zhanping, immediately returned fire with a machine gun, wounding one of the invaders. Seeing this, the other Vietnamese soldiers, carrying the wounded invader, fled.

There were two routes by which the Vietnamese soldiers could escape. On our side of one of the paths, mines had been laid by the militia detachment. To force the fleeing enemy to take this mined path, one of the militia combat groups used light and heavy machine guns to block the other path. Moments later, the mines exploded, and three Vietnamese soldiers were killed instantly. The other Vietnamese soldiers fled in great haste.

#### Killing the Enemy in the Fog

On 6 April, there was dense fog in the Naling area of Guangxi. At a little past 1600 [0800 GMT] platoon leader Deng Zuzhong of one of our frontier units was leading a patrol consisting of fighter Wang Huibing. They came to a hill on our side of the border. Vigilantly, they spotted a group of people, faintly visible under a kapok tree in the fog. Deng Zuzhong resolutely ordered the fighter to "lie down." At this moment, a gust blew, partially dispersing the fog. They saw that two Vietnamese soldiers, both carrying carbines, in Indian file, were intruding into our territory, hiding in cogongrass as tall as a man. Crouching, Deng Zuzhong ran to a favorable spot. When the Vietnamese soldiers continued advancing into our territory, Deng Zuzhong took aim with his carbine at the second man and fired two shots. This Vietnamese soldier fell dead.

At that moment, the leading Vietnamese soldier hastily rolled over. Deng Zuzhong turned his gun on this soldier, and fired a series of shots. Wounded by gunfire, the Vietnamese soldier limped away, leaving behind the body of his comrade.

#### A Beautiful Ambush

I. 25 Apr 84

E 2

PRC INTERNATIONAL AFFAIRS  
SOUTHEAST ASIA & PACIFIC

In the past few days, the Vietnamese have frequently dispatched armed special service personnel to the Jinping area of our Yunnan Province to reconnoiter and harass, and to undermine the spring farming work of our border inhabitants. Zhao Fenglin, squad leader of a frontier unit, was instructed to lead four fighters in a counterattack on the invading Vietnamese soldiers beside a border river.

In the early morning of 7 April, when Venus had just risen in the sky, Zhao Fenglin led the fighters to a key spot on the border in dense fog. The fighters hid themselves in the grass, and remained quiet, despite the bites of leeches and mosquitoes. They silently watched for movement on the other side of the border river.

The dense fog completely dispersed at 1330. Five Vietnamese special service personnel, carrying carbines and binoculars, appeared from the dense woods on the other side of the border river. In the lead was a Vietnamese officer with a small mustache. He stealthily looked at our side with the binoculars, and then directed the other special service personnel to cross the river to our side.

"Squad leader, a Vietnamese special service team has come!" After making this report, new fighter Zhou Huirong quickly released the safety catch of his weapon. Squad leader Zhao Fenglin responded: "Don't open fire until they come close!"

The Vietnamese personnel came closer and closer to our frontier fighters. When they were about to come in range, all of a sudden the Vietnamese officer with the small mustache felt that something was wrong, and ordered the invaders to retire.

"The enemy cannot escape!" Zhao Fenglin shouted out: "Fire!" All the fighters opened fire at the enemy with their carbines. Two Vietnamese special service personnel in the rear were killed instantly. Seeing what had happened, the two in front hurriedly crossed the river and fled into the dense woods. The Vietnamese officer with the small mustache, who was in the middle, was shot in the left foot. He tried to flee to the other side of the river, but veteran fighter He Linhai fired another shot which killed him as he reached the sand.

So ended the fight. "Da-da-da" -- sounds of machine gun fire came from the Vietnamese post on a height, and a hail of bullets rained on us. However, our frontier fighters, with a victorious smile on their faces, had already safely left the area where they had sprung the ambush.

#### JI PENGFEI MEETS VISITING HONG KONG DELEGATIONS

##### Fetes Educators

OW201127 Beijing XINHUA Domestic Service in Chinese 1618 GMT 18 Apr 84

[Text] Beijing, 18 Apr (XINHUA) -- This evening State Councillor Ji Pengfei, met, feted, and had cordial talks with Li Zhaoji, Huo Zhenhuan and 20 other people from Hong Kong's Peihua Educational Fund at the Great Hall of the People.

##### Meets Broadcasters, Educators

OW201221 Beijing XINHUA Domestic Service in Chinese 1653 GMT 19 Apr 84

[Text] Beijing, 19 Apr (XINHUA) -- On separate occasions this afternoon, Ji Pengfei, state councillor, met and had cordial talks with a Hong Kong broadcasting and television delegation led by He Dingjun and a Hong Kong educational circles delegation headed by Li Ruda which had been visiting Beijing to inspect education in the capital.

## Meets Educators

OW241449 Beijing XINHUA in English 1440 GMT 24 Apr 84

[Text] Beijing, April 24 (XINHUA) -- Chinese State Councillor Ji Pengfei met here today a visiting group from Hong Kong's academic circles led by S.W. Tam, dean of the Graduate School of the Chinese University of Hong Kong. Deputy leaders of the delegation are Y.C. Jao, professor of economics at University of Hong Kong, John T.S. Chen, president of Lingnan College, and Lo King-man, associate director and secretary to the council of Hong Kong Polytechnic.

NEW ZEALAND SCIENCE MINISTER ENDS VISIT

## Discusses Cooperation

OW131113 Beijing XINHUA in English 1036 GMT 13 Apr 84

[Text] Guangzhou, April 13 (XINHUA) -- There exists great potential for a wide range of scientific and technical cooperation between New Zealand and China. This was stated by Ian J. Shearer, New Zealand minister of science and technology, at the end of his China visit. Shearer arrived in Beijing at the head of a seven-member science and technology delegation on April 1 and left Guangdong for Hong Kong today after a tour of Beijing, Shanghai, Changsha, Guangzhou and Shenzhen.

The New Zealand minister told XINHUA that he had discovered that the Chinese people attached great importance to science and technology, an important content in China's four modernizations. He said that he admired their insight. He said that China had done a lot in scientific research, notably in silicates, earthquake monitoring and use of lower temperature geothermal power. "New Zealand can learn something in these areas," he said.

Shearer also said that New Zealand could provide China with many projects for cooperation and exchanges in science and technology. His country could assist and cooperate with China in packing, transport and processing of fruit, hill forest forage production, shock absorption engineering in earthquake relief, geothermal surveys and geological prospecting, and the antarctic geological surveys.

## Offers Antarctic Research Sites

OW171239 Beijing XINHUA in English 1215 GMT 17 Apr 84

[Text] Wellington, April 17 (XINHUA) -- New Zealand has offered China a choice of seven sites in the Antarctic Ross Sea suitable for establishing a scientific station to facilitate access to a research ship studying the sea around the southern continent. New Zealand minister of science and technology, I.J. Shearer, said yesterday that two of the sites are in Northern Victoria Land at Cape Adare and another at Yule Bay. The others are in the Western Ross Sea on Inexpressible Island, Granite Harbor and Marble Point, and in the Eastern Ross Sea. Shearer, who returned on Sunday from a three-week visit to China, said that China has been increasing its activity in the Antarctic. There is a possibility now of New Zealand using Chinese research ships providing they are refitted for Antarctic conditions. New Zealand has for years been hampered by the lack of a research ship suitable for work in Antarctic waters. He said that New Zealand has been taking Chinese scientists to the Antarctic for some years.



FURTHER ON VISIT BY UK MINISTER OF STATE STANLEY

## Xu Xin Hosts Banquet

OW241733 Beijing XINHUA in English 1505 GMT 24 Apr 84

[Text] Beijing, April 24 (XINHUA) -- Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army, held a dinner part for John Stanley, British minister of state for the armed forces, and his party here this evening in the Great Hall of the People.

Also present were Zou Jiahua, vice-minister of the Commission of Science, Technology and Industry for National Defence and British Ambassador to China Sir Richard Evans. Xu and Sir Richard also held talks on problems of common interest this afternoon.

## Yang Dezhi Meets Stanley

OW250848 Beijing XINHUA in English 0830 GMT 25 Apr 84

[Text] Beijing, April 25 (XINHUA) -- Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army, met and gave a luncheon here today in honor of John Stanley, British minister of state for the armed forces. Present was Xu Xin, deputy chief of the PLA General Staff.

## Zhang Aiping Meets Minister

OW251204 Beijing XINHUA in English 1201 GMT 25 Apr 84

[Text] Beijing, April 25 (XINHUA) -- National Defense Minister Zhang Aiping met with John Stanley, British minister of state for the armed forces, here today. They had a friendly discussion on matters concerning military technical cooperation between China and Britain.

The British minister and his party are scheduled to leave Beijing tomorrow for a tour of Qingdao, Xian and Guangzhou.

PENG ZHEN MEETS AUSTRIAN SCIENCE MINISTER

OW241058 Beijing XINHUA in English 1030 GMT 24 Apr 84

[Text] Beijing, April 24 (XINHUA) -- Peng Zhen, chairman of the National People's Congress Standing Committee, met with Dr Heinz Fischer, federal minister of science and research of Austria, and his party here today at the Great Hall of the People. Peng Zhen welcomed the Austrian guests and acclaimed the signing of an agreement on scientific and technical cooperation between the Chinese and Austrian Governments. "This is a good beginning in our two governments' cooperation," he said.

Peng Zhen said that Austria has a great deal of advanced science and technology for China to learn and which provides a foundation of cooperation between the two countries. He said he hoped the guests to see more of China's current science and technology so as to promote the bilateral cooperation.

Fischer said that the agreement constituted a foundation of cooperation and Austria and China would expand their cooperation in line with the principle of equality and mutual benefit. He held that the vistas for cooperation is broad.

Fang Yi, state councillor and minister in charge of the State Science and Technology Commission, and Wolfgang Wolte, Austrian ambassador to China, attended the meeting.

EUROPEAN PARLIAMENT PRESIDENT DEFERS VISIT

OW211124 Beijing XINHUA in English 1048 GMT 21 Apr 84

[Text] Beijing, April 21 (XINHUA) -- Sources of the Chinese National People's Congress Standing Committee said that Pieter Dankert, president of the European Parliament, and Mrs Dankert, due to visit China on April 22, has to defer his visit for private reasons.

FRG TELECOMMUNICATIONS MINISTER ARRIVES FOR VISIT

OW211858 Beijing XINHUA in English 1555 GMT 21 Apr 84

[Text] Beijing, April 21 (XINHUA) -- Chinese Minister of Posts and Telecommunications Wen Minsheng this evening gave a dinner for his counterpart Dr Christian Schwarz-Schilling from the Federal Republic of Germany, Mrs Schwarz-Schilling and their party. Both ministers expressed the hope to develop bilateral relations and cooperation in posts and telecommunications.

Vice-Minister of Posts and Telecommunications Zhu Gaofeng and FRG Ambassador to China Guenther Schoedel were present at the dinner. The German guests arrived here this afternoon.

Li Peng Meets Minister

OW241325 Beijing XINHUA in English 1302 GMT 24 Apr 84

[Text] Beijing, April 24 (XINHUA) -- Chinese Vice-Premier Li Peng said here today that China was willing to cooperate with the Federal Republic of Germany in telecommunications technology. Li Peng made these remarks at a meeting with Dr Christian Schwarz-Schilling, minister of posts and telecommunications from the Federal Republic of Germany, and his party in the Great Hall of the People here this afternoon. Schwarz-Schilling also expressed his willingness to cooperate with China on a long-term basis.

Present on the occasion were Wen Minsheng, minister of posts and telecommunications, and Guenther Schoedel, FRG ambassador to China. The Federal German guests are scheduled to leave here for Shanghai tomorrow.

HE KANG MEETS FRG AGRICULTURAL DELEGATION

OW241919 Beijing XINHUA in English 1607 GMT 24 Apr 84

[Text] Beijing, April 24 (XINHUA) -- He Kang, Chinese minister of agriculture, animal husbandry and fisheries, met with and feted here this evening an agricultural delegation from the Federal Republic of Germany led by Georg Gallus, parliamentary state secretary of ministry of food, agriculture and forestry.

The delegation, which arrived yesterday, is here to attend the fifth meeting of the agricultural and food working group of the Joint Economic Committee of China and the Federal Republic of Germany to be held between April 24 to 27.



ITALIAN DEFENSE COMMISSION PRESIDENT ARRIVES

OW240840 Beijing XINHUA in English 0822 GMT 24 Apr 84

[Text] Beijing, April 24 (XINHUA) -- Attilio Ruffini, president of the Defence Commission of the House of Representatives of Italy, Mrs Ruffini and their party arrived here at noon today on a friendly visit to China at the invitation of the Foreign Affairs Committee of the National People's Congress. This is the first contact between these two special committees of the parliaments of China and Italy. In Beijing Ruffini will exchange views with leading members of the NPC Standing Committee on further development of friendly relations and cooperation between the two parliaments and the two peoples.

Zhang Aiping, minister of national defence, and Xu Xin vice-chairman of the Beijing Institute for International Strategic Studies, will meet Ruffini.

Ruffini was greeted by Chu Tunan, vice-chairman of the Foreign Affairs Committee of the NPC, and Zhang Zhixiang, member of the NPC Standing Committee and member of the Foreign Affairs Committee of the NPC. Also present was Raffaele Marras, Italian ambassador to China.

NEW PRC AMBASSADOR TO PORTUGAL PRESENTS CREDENTIALS

OW241940 Beijing XINHUA in English 1448 GMT 24 Apr 84

[Text] Lisbon, April 24 (XINHUA) -- New Chinese Ambassador to Portugal Lu Jixing handed in his credentials to Portuguese President Antonio dos Santos Ramalho Eanes here this morning. The president said that relations between China and Portugal are proceeding well and he expressed the hope that these relations will be further developed.

FURTHER PRC-UK OIL SURVEYS BEGIN IN YELLOW SEA

OW201459 Beijing XINHUA in English 1434 GMT 20 Apr 84

[Text] Shanghai, April 20 (XINHUA) -- Geophysical surveys in search of oil has begun in another Sino-British contract block in the South Yellow Sea, according to the Nanhuanhai Petroleum Corporation. The block, covering an area of 4,458 square kilometers, is located in the northern part of the South Yellow Sea and 150 kilometers east of Qingdao City in Shandong Province. It will be surveyed jointly by the Nanhuanhai Corporation and the Cluff Oil Ltd of Britain. Data on 1,360 kilometers of seismic lines were collected between March 28 and April 10 and have been sent to Britain to be processed by computers.

The block is one of the 18 contract blocks for which contracts were signed with foreign companies in the first round of bidding for exploration of China's offshore oil resources. A contract for the block was concluded by the China National Offshore Oil Corporation and the Cluff Company in Beijing in October 1983. Cluff is the second foreign company to cooperate with the Nanhuanhai Corporation in exploration and development of oil resources in the South Yellow Sea. The first foreign partner is a consortium led by the British Petroleum Development Ltd. Cluff has registered with Chinese authorities and opened an office here yesterday.

NI ZHIFU MEETS SFRY TRADE UNION DELEGATION

OW201758 Beijing XINHUA in English 1600 GMT 20 Apr 84

[Text] Beijing, April 20 (XINHUA) -- Ni Zhifu, member of the Political Bureau of the Chinese Communist Party Central Committee and president of the All-China Federation of Trade Unions, met with a delegation of the Confederation of Trade Unions of Yugoslavia here today. The delegation is led by Stojan Stojcevski, member of the Central Committee of the League of Communists of Yugoslavia and president of the council of the confederation. Ni Zhifu had a friendly talk with the Yugoslav guests on furthering the development of cooperation between the trade unions of the two countries. Yugoslav Ambassador to China Sava Obradovic was present at the meeting.

SFRY, ROMANIAN DELEGATIONS MEET HU YAOBANG

OW231853 Beijing XINHUA in English 1625 GMT 23 Apr 84

[Text] Beijing, April 23 (XINHUA) -- Workers should act as the masters of socialist countries and be a powerful backing force for their governments, Chinese Communist Party General Secretary Hu Yaobang said today. In talks with trade union delegations from Romania and Yugoslavia here this afternoon, Hu said developments in the past three decades had shown that many management methods presently in use were backward and incorrect. Something had to be done to set them right, he said, noting that to speed economic construction China would carry out reforms and continue its policy of opening to the outside world. Facts had shown that China succeeded in its agricultural reform during the past five years, Hu said, and reforms could also be carried out in this direction in factories, mines and other enterprises. The principle of distribution according to work should be practiced in all trades and industries and those who do more should receive more, he added.

The Romanian delegation is led by Nicolae Constantin, member of the Executive Political Committee of the Romanian Communist Party Central Committee and chairman of the Central Council of the General Trade Union Confederation of Romania.

The Yugoslavian delegation is led by Stojan Stojcevski, member of the Central Committee of the League of Communists of Yugoslavia and president of the Council of the Confederation of Trade Unions of Yugoslavia. The delegations arrived in China last week at the invitation of the All-China Federation of Trade Unions.

Also present at the meeting were Ni Zhifu, member of the Political Bureau of the Central Committee of the Chinese Communist Party and Chairman of the host federation, Angelo Miculescu, Romanian ambassador to China, and Sava Obradovic, Yugoslavian ambassador to China.

ZHAO ZIYANG MEETS WITH ETHIOPIAN MINISTER

OW191854 Beijing XINHUA in English 1643 GMT 19 Apr 84

[Text] Beijing, April 19 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that the Ethiopian revolution ten years ago was in keeping with the trend of history and the interests and aspirations of the Ethiopian people. Zhao Ziyang said this when he met a high-level government economic and trade delegation from Ethiopia led by Minister of Foreign Trade Wollie Chekol. He said that China valued the development of Sino-Ethiopian relations and paid much attention to the achievements of the Ethiopian people in defending national independence and state sovereignty and developing national economy under the leadership of Chairman Mengistu Haile Mariam. Zhao Ziyang said that to strengthen the unity and cooperation with other Third World countries including Ethiopia was the starting point of China's foreign policy. He was convinced that the friendly relations and cooperation between China and Ethiopia would surely continue to develop with the efforts of both sides, he said.

At the meeting Chekol conveyed Chairman Mengistu Haile Mariam's oral message to the Chinese premier. He said that China was a reliable friend of his country. "We are grateful to China's support in the social and economic development of Ethiopia and hope to promote our friendly relations," he added.

Zhao Ziyang also asked Chekol to convey his best regards to Chairman Mengistu. Present at the meeting was Lu Xuejian, vice-minister of foreign economic relations and trade. The Ethiopian delegation will leave here for Korea tomorrow.

Trade Protocols Signed

OW191457 Beijing XINHUA in English 1436 GMT 19 Apr 84

[Text] Beijing, April 19 (XINHUA) -- A trade protocol and a protocol on economic and technical cooperation between the government of the People's Republic of China and the Provisional Military Government of Socialist Ethiopia for 1984-1985 were signed here this afternoon. Chen Muhua, state councillor and minister of foreign economic relations and trade, and Wollie Chekol, minister of foreign trade of Ethiopia, signed the two protocols on behalf of their respective governments. According to the two protocols, China will export to Ethiopia textiles, garments, tea, building materials, metals and steel products, machinery and farm tools, and will import from Ethiopia coffee, pulse, hides and skins, gum and frankincense. China will also help Ethiopia build a threat factory, a pencil factory, a matches factory and well-drilling projects in rural areas.

Present were Lu Xuejian, vice-minister of foreign economic relations and trade, and Akalu Makonnen, charge d'affaires a.i. of the Ethiopian Embassy here.

WANG HESHOU REPORTS ON PARTY REACTIFICATION

OW250145 Beijing XINHUA Domestic Service in Chinese 1346 GMT 21 Apr 84

[Text] Beijing, 21 Apr (XINHUA) -- "Excerpts" of a report entitled: "Achieve a Conspicuous Change for the Better in Party Style in This Year's Party Rectification" -- by Comrade Wang Heshou, permanent secretary of the Discipline Inspection Commission of the CPC Central Committee, at the work conference of the commission on 10 March 1984.

It has been more than a year since the 12th party congress called for achieving a fundamental change for the better in party style within 5 years. Whether or not this task can be accomplished as scheduled is a question that concerns the whole party and nation. The current conference sponsored by the Central Discipline Inspection Commission is a meeting held at the instruction of the party Central Committee to review the improvement of party style since the 12th party congress, in order to study how to achieve a conspicuous change for the better in party style in the course of party rectification both this year and in the next few years, and to further expedite the party's work of straightening out its style and enforcing discipline so that a fundamental change for the better in party style can be achieved as planned.

**Thoroughly Assess the Improvement in Party Style**

To answer the question of whether or not a fundamental change for the better in party style can be achieved within 5 years, we must first of all see whether or not there has been a change for the better in party style since the 12th party congress. Only when we have assessed the improvement in party style in the spirit of seeking truth from facts can we continue to soberly and confidently struggle against irregularities.

Over the past year and more our country has accomplished great successes in the political, economic, cultural, and other fields. This has gradually created a situation in which our party's style as well as our financial and economic growth and the standards of social conduct all have been improved. Many advanced units and a large number of outstanding party members have come to the fore on all fronts, and our party's fine traditions have been reinstated and advanced.

First, after more than 5 years of practice, the broad masses of party members and cadres have become fully aware that the party's lines, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee are entirely correct. The party Central Committee's prestige has significantly increased. The broad masses of party members, particularly the leading cadres who are party members, have become more conscientious in studying party documents and the "Selected Works of Deng Xiaoping," in struggling against erroneous "left" and right ideologies and in firmly carrying out the party Central Committee's lines, principles, and policies. This has heightened the consciousness of all party members in ideologically and politically remaining at one with the party Central Committee. This is the foundation on which we have achieved a change for the better in party style over the past several years. Under the leadership of the party Central Committee, an excellent situation is taking shape in which the whole party and the whole nation are endeavoring with one heart and one soul to achieve the four modernizations.

Second, the restructuring of the leading bodies involves the cooperation among millions -- not dozens or a few hundred -- of younger and older cadres, and the succession of the new to the old. It is a major task concerning the development or the decline of our party cause, and is a highly complex and arduous task unprecedented in the history of our party's cadres and organizational work.



However, thanks to penetrating and meticulous ideological work, the strategic policy decision of the party Central Committee is understood by the broad masses of cadres. In the course of administrative reform, tens of thousands of veteran comrades of leading bodies at all levels have retreated to the second or third line, and as a large number of outstanding middle-aged and young cadres have assumed leading posts, our cadres have gradually become more revolutionary, younger in average age, better educated, and more competent professionally. The process of achieving this historic task shows that our party is a party with a traditionally high sense of organization and discipline. This is an extremely important aspect in assessing the improvement in our party style.

Third, since last year, party committees at and above the county level have compared and inspected their performance in handling the major issues regarding party style and have carried out active ideological struggle. Democratic centralism has been strengthened and party leadership has been consolidated and improved.

Fourth, since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has achieved fairly satisfactory success in determinedly checking such irregularities as the abuse of power for personal gain.

The fact that party style has gradually changed for the better indicates that our party is capable of correcting unhealthy trends within the party with its own strength. After several years of continuous efforts, particularly after 3 years of overall party rectification, it is entirely possible to fundamentally improve party style. Attitudes such as failure to see the inevitable tendency in the improvement of party style and lack of confidence and boldness in doing things are completely wrong. On the other hand, we must also soberly realize that party style has not been fundamentally improved. Currently, some party organizations and party members are not very aware of the need to politically identify themselves with the party Central Committee. They even overtly agree to, but covertly resist, the implementation of the party's policy. On the ideological front, some party members spread spiritual contamination and run counter to the party's four basic principles. The unhealthy trend of making use of one's authority to seek private gain has undermined the relations between the party and the masses and seriously damaged the party's prestige among them. In this style of leadership, serious bureaucratic attitudes have caused alarming damage to the party and the people. Inestimable manpower and intellectual, material, and financial resources have been wasted. In the field of centralized and unified leadership exercised by the central authority over local authorities and by high-level units over lower-level units, some areas, departments, and units have failed to fulfill state plans and have undermined the policy of pooling all funds to ensure the completion of key construction projects. We must particularly realize that in the course of correcting these unhealthy tendencies we will definitely encounter much resistance. 1) Owing to poor political and ideological work, some sentiments have prevailed among many cadres, such as being excessively tolerant, indecisive, and soft-hearted; fearing difficulties; and making concessions to avoid trouble. Some unhealthy trends have not been vigorously condemned by public opinion or severely criticized within the party. They are extremely tenacious; 2) a poor system, inadequate supervision and checkups, and lax discipline have given the unhealthy trends an opportunity to prevail; 3) some unhealthy tendencies have been curbed. However, without continuous measures to combat such tendencies, they will run rampant once again under favorable conditions. Thus, we must arduously carry out or work in order to achieve a fundamental change for the better in party style.

To Achieve an Obvious Change for the Better in Party Style in 1984 Is a Major Task for the Whole Party

This year is crucial for carrying out overall party rectification and is the second year in working hard to achieve a fundamental change for the better in party style.

The work of correcting party style this year is being carried out in a new situation of conducting party rectification in an overall manner. Spurred by this new situation, the whole party must grasp its work so as to bring about an obvious change for the better in party style this year. To bring about an obvious change for the better in party style, we must fulfill the following tasks:

1. The leading bodies must identify themselves politically with the central authorities. They should be able to actively implement, in close connection with the situation in one's own area and department, the line, principles, and policies of the central authorities and eliminate the interferences by factionalism and "leftist" thinking in implementing policy and making job assignments to cadres.
2. The system of democratic centralism in party committees must be further improved, emphasis must be placed on solving the question of weak and lax leading bodies at and above the county level, and the sense of discipline must be strengthened among party members and cadres.
3. Basic level organizations should establish a fairly sound system in doing political and ideological work, conduct criticism and self-criticism, and conquer weakness in doing political and ideological work.
4. Leading organs must take the lead, and the whole party must pay full attention to party style. Unhealthy trends that the masses have complained about the most, such as the practice of using one's authority to seek private gain and serious bureaucratic attitudes, should be curbed, and new progress should be made in production and work.

In various districts and units the situation is different in bringing about a change for the better in party style, as are existing problems. To achieve an obvious change for the better in party style means to advance another giant step forward this year in correcting party style on the basis of the existing foundation, work hard to bring about an obvious change for the better every year, and achieve a fundamental improvement in party style within 5 years.

There are many favorable conditions in bringing about an obvious change for the better in party style in the course of conducting party rectification. First, a situation in which the whole party is paying attention to party style is taking shape. Following the extensive development of party rectification in an overall manner, we will definitely score major victories in the struggle to encircle and annihilate unhealthy tendencies. Second, we have the vigorous support of the broad masses inside and outside the party in correcting party style. The criticism and supervision of the masses of people are our powerful weapons in our struggle against unhealthy tendencies. Third, the party committees and discipline inspection commissions at all levels have accumulated experience in grasping party style. For the past year and more this experience has been further developed in the course of practice, and something new has been created. This experience has three main points: 1) Efforts must be made to fundamentally correct party style and enforce party discipline. We must not only pay attention to cases of violation of party discipline by individual party members, but must also exert particular efforts in checking and handling issues that arise from mistakes and dereliction of duty by party organizations in the course of upholding party style and party discipline. 2) It is essential to give widespread publicity to party style and party discipline through various propaganda media such as newspapers and journals, radio broadcasts, and television to help the whole party and all the people throughout the country understand the guiding ideology of the party Central Committee in correcting the unhealthy tendencies within the party and hear the voice of the party in doing discipline inspection work in order to "establish a fine style and give publicity to what is good" and form strong public opinion in observing strict party discipline. 3) To defend the party's four basic principles, it is necessary to pay attention to the issues in the political and ideological sphere and emphasize the need to combat the ideological corrosion created by the bourgeoisie and other exploiting classes.



As long as we fully realize these favorable conditions and strive to bring them into full play, we will definitely be able to achieve an obvious change for the better in party style during 1984.

#### Measures To Realize an Obvious Change for the Better in Party Style

In order to effect an obvious change for the better in party style in the course of conducting party rectification during 1984, the party committees and discipline inspection commissions at all levels must adopt effective measures to carry out their work in a creative way. First, the party committee must take the lead and truly create a situation with "the whole party paying full attention to party style."

Party committees at all levels must include the task of correcting party style as an important item in their daily agenda with each level doing a good job at its own level and with a responsibility system set up at each level. If the party style of a locality or a unit is unhealthy to a serious extent and such unhealthy party style cannot be corrected over a long period, it is necessary to hold the leadership of this unit and the organization at the higher level responsible. We only have a little over 3 years left if we are to bring about a fundamental change for the better in party style within 5 years. Thus, we must work hard in this respect. Party committees at all levels must give overall consideration to all issues and earnestly carry out planning. In the next few years party committees at and above the county level should answer the following questions raised by party members and the party committees at the higher level every year: What was the situation in your area and department last year in effecting a change for the better in party style? What are the current acute problems with regard to party style and party discipline? What kind of measures are you prepared to take in the new year? By conducting investigations, party committees and discipline inspection commissions at all levels must tackle the two basic questions as to which units display fine party style and which units have serious problems. In dealing with units where party style is impure to a serious extent and party discipline is lax, resolute measures must be taken to solve questions one by one.

Second, it is necessary to more effectively safeguard the political unity of the entire party with the central authorities through intensifying ideological work.

To uphold the four fundamental principles, adhere to the party's line, principles, and policies formulated since the convening of the 3d Plenary Session of the 11th CPC Central Committee, and to maintain unity with the central authorities are the requirements of the party's political discipline.

The following are the three major criteria for measuring unity with the party Central Committee: 1) Whether or not one steadfastly affirms and resolutely implements the line, principles, and policies of the 11th CPC Central Committee session; 2) whether or not one has full confidence in the various fighting goals put forward by the 12th CPC National Congress; and 3) whether or not the work of each locality, department, or unit is subordinated to the whole party's fighting goals. Party committees and discipline inspection commissions at various levels should regularly hold discussions and strengthen political and ideological work and should persistently educate party members and cadres on the Marxist world outlook and on the party's line, principles, and policies so that they can enhance their awareness in the course of practice, consciously implement the party's line, principles, and policies, and maintain ideological and political unity with the central authorities.

It is necessary to increase education among a handful of party members in the theoretical, literary, and art circles, who spread spiritual pollution by disseminating various decadent ideas of the bourgeoisie and other exploiting classes and by creating distrust in socialism, the cause of communism, and the communist leadership. Those who violate party discipline must be duly dealt with.

Third, checking and examining the rectification of party style by leading members of a party committee must become a system. From now on party committees at and above the county level must conduct the checking and examination of party style every year at an appropriate time and make this practice a system. The party committee or the discipline inspection commission at the next higher level may assign personnel to take part in the checking and examination if necessary. A written statement on the checking and examination, together with the minutes of the meeting on inner-party political life, must be submitted to the party committee or the discipline inspection commission at the next higher level. Leading members must not only conduct the checking and examination within the leading body, but must also place themselves under the supervision of the broad masses of party members and cadres, soliciting their opinion, accepting their criticism, and earnestly correcting mistakes. Leading party cadres must set an example in fulfilling the requirements of ordinary party members and refrain from doing things that ordinary party members are forbidden to do so that their exemplary deeds can be used to promote the rectification of party style among the vast numbers of party members.

Fourth, it is necessary to make relentless efforts to stop evil practices such as the serious bureaucratic attitude of seeking personal gains by taking advantage of one's power and position, and various acts in violation of law and discipline. Party committees and discipline inspection commissions at various levels must continue to focus the work on clamping down on the unhealthy tendency of seeking personal gains by taking advantage of one's power and position. Comrade Chen Yun recently pointed out: Failure to stop or effectively stop the evil practice of seeking personal gains by taking advantage of one's power and position can corrupt the general mood of the party and deprive it of popular support. Comrades of the entire party must wage a resolute struggle and take immediate action against the evil practice of seeking personal gains by taking advantage of one's power and position. Party committees and discipline inspection commissions at various levels must conduct an examination in accordance with relevant regulations on the "rules of conduct for inner-party political life" and duly handle any violation of discipline. It is necessary to continue rectification of unhealthy practices in housing allotment and construction. It is also necessary to speedily deal with evil practices among some party members and cadres who use public funds to give extravagant gifts and dinners, embezzle state or collective property, indiscriminately hand out bonuses and subsidies, transfer agricultural households into nonagricultural households against policy, and make illicit arrangements for the employment of relatives and friends. Each locality or unit may concentrate efforts to stop certain evil practices during a given period and set up necessary rules and regulations to close loopholes.

It is necessary to check the serious bureaucratic attitude by investigating and punishing typical examples, in order to thoroughly expose the pernicious influence of bureaucracy on the cause of the people and its corrosive nature against the cadres. Bureaucrats who commit serious dereliction of duty must be given severe punishment, including expulsion from the party. Dereliction of duty must be referred to the judicial department for investigation and handling in accordance with the law. It is necessary to resolutely rectify unhealthy practices among party members and cadres in the economic field, where they disregard the party and government's economic policy, financial and economic regulations, wilfully hinder reform and innovation permitted by the policy, ruin the state plan, withhold taxes and profits that should be turned over to the state, practice fraud, and seek private gain at public expense.

If an unhealthy practice is approved by an individual leader, he must be held responsible for the problems in this field. If the practice is approved by a collective of leaders, it is necessary to fix responsibility on the organization at that level.

It is necessary to continue to take a firm grip on the struggle to strike at serious economic crimes, and earnestly investigate and handle newly-exposed major and serious cases. Vigorous efforts must be made to achieve a breakthrough in units and departments with serious and long-standing problems and, at the same time, to overcome ineffectiveness in the struggle. It is also necessary to use typical cases to conduct education against corrosion, and commend the advanced.

Fifth, it is imperative to reinforce party discipline and conduct extensive education about discipline.

To achieve a turn for the better in party style, it is necessary to reinforce party discipline and boldly tackle any violation of that discipline. Violators of discipline can get away without being noticed in some localities where the leadership is weak and lax, but, when investigated by superiors, are harbored by colleagues. Such an evil practice, which can slacken party discipline and weaken the party's fighting capability, must be resolutely stopped. It is necessary to investigate leaders who, by professing to "undertake the entire responsibility," shield people who have made mistakes. A party organization that seriously violates party discipline and is unable to rectify the mistake on its own, must, in accordance with the stipulation in Article 42 of the party Constitution, be reorganized or dissolved. While reinforcing discipline, it is also necessary to guard against indiscriminate enforcement of discipline and nit-picking without a legitimate reason.

Party committees and discipline inspection commissions at various levels must organize party members to study the "Rules of Conduct for Inner-Party Political Life," Chapter Seven of the party Constitution, Comrade Chen Yun's article "Strictly Observe Party Discipline," and other relevant documents. They must also conduct extensive education on discipline so that the vast numbers of party members are aware of the following points: 1) The party in power should never slacken discipline and, in leading the modernization drive, requires party members to have a high degree of principle and sense of discipline. 2) Any act of violation of discipline, even if it is committed by a collective, must be investigated and given disciplinary punishment. 3) Any party member can place himself above party discipline because of his special position, and party members assuming leading posts should more consciously observe discipline. 4) As the normalization of inner-party political life has the same purpose as the reinforcement of party discipline, it is erroneous to confuse the reinforcement of party discipline with the "leftist" practices that existed in inner-party life in the past.

Sixth, party committees must strengthen their leadership over discipline inspection.

Party committees must pay attention to using the strength of discipline inspection commissions, support them in working boldly, and protect those discipline inspectors having the courage to struggle against irregularities, in order to give full play to the roles of discipline inspection organs in achieving a conspicuous change for the better in party style. Discipline inspection commissions at all levels must take the initiative in keeping party committees informed of the situation, exercise effective leadership, and, under party committees' guidance and assistance, do a good job in planning and organizing the various projects for achieving a conspicuous change for the better in party style this year. Discipline inspection commissions at all levels must adapt their operations to the needs of the new situation, take the overall situation into consideration, and concentrate their strength on thoroughly settling several major problems of universal significance in order to give impetus to the overall operation.



People inside and outside the party must be promptly informed of the way typical cases are investigated and handled, and typical cases, both good and bad, must be used to launch education on party spirit, party discipline, and party style, so that the whole party and nation are fully aware of the party's effort to rectify its work style as well as its struggle against all types of irregularities.

Party committees at all levels must do a good job in building their discipline inspection organs. Comrade Hu Yaobang pointed out in his speech at the Third Plenary Session of the Central Discipline Inspection Commission: We must realize that discipline inspection organs across the country have two inadequacies: their organization is unsound, and their staff is not fully competent. It is an important responsibility for party committees to resolve these two problems as soon as possible. In accordance with a plan put forward by the party Central Committee, various prefectures and countries are currently engaged in restructuring their administrative organs. While restructuring administrative organs we must intensify our efforts to set up or improve discipline inspection organs of various counties or county-level enterprises and establishments before the end of the year and consider this project part of our preparatory work for party rectification. These organs must be staffed by cadres who have a strong party spirit, who uphold principles, and who dare to struggle against irregularities.

Party committees at all levels must pay attention to giving full scope to the roles of discipline inspection commissions during party rectification. Their roles mainly include: 1) to earnestly carry out investigation and study, keep party organizations informed of the three impurities [impurities in ideology, work style, and organization] and put forward corrective measures; 2) to step up the investigation and handling of cases of malfeasance at units engaged in party rectification so that the process of party rectification will not be obstructed; 3) to learn analyzation and reason by discipline inspectors, who must be good at enlightening those comrades who have made mistakes; 4) to pay attention to how the units engaged in party rectification have been revamped and assist the party committees of those units to supervise party rectification in order to forestall perfunctoriness in party rectification. In accordance with Article 45 of the party Constitution, a discipline inspection commission may appeal to a higher discipline inspection commission on the malfeasance of a party committee or its members, at the same level, whose problems have not been effectively dealt with during party rectification; and 5) to consider it a routine operation of discipline inspection commissions to consolidate and develop the results accomplished in party rectification.

Under the party Central Committee's leadership, the party made new headway in discipline inspection and accomplished great successes in rectifying party style in 1983. Party committees and discipline inspection commissions at all levels must earnestly sum up their experiences and, in accordance with the requirements set by this meeting, draw up specific plans to rectify party style this year, mobilize all party members to advance on the crest of victory, and work hard to achieve a conspicuous change for the better in party style during this year's party rectification.

#### Editorial on Work Style

HK240459 Beijing RENMIN RIBAO in Chinese 22 Apr 84 p 1

[Editorial: "Advance on the Crest of a Victory, Achieve a Marked Improvement in Party Work Style"]

[Text] Comrade Wang Heshou's report, which has been approved by the CPC Central Committee and which was delivered at the Central Discipline Inspection Commission work conference, has fully appraised the improvement of the party work style since the 12th party congress as well as the problems that still exist.

His report has also summed up our experience over the past year in rectifying the party work style, and has put forward this year's requirements and measures in improving the party work style. Hence, the conscientious implementation of the spirit of this important report has significance in further promoting the healthy work style throughout the party, in enforcing party discipline, and in striving to achieve an improvement in party work style within 5 years.

This year is the second year following the proposal of the 12th party congress that we must achieve a fundamental turn for the better in the party work style within 5 years. It is also the first of 3 years within which we must accomplish the task of party rectification by stages and in groups. Whether or not we can make a marked improvement in the party work style as a whole this year has an important bearing on achieving a fundamental turn for the better in the party work style within 5 years. We must further inspire our revolutionary enthusiasm, closely link the party rectification work to the study of party rectification documents, act in the spirit of simultaneous rectification and correction of defects, and grasp the work firmly, so that we shall take a great step forward on the basis of improving the party work style year by year.

The CPC Central Committee has again pointed out that the issue of party work style is a matter of vital importance to the ruling party. It has urged the whole party to seriously deal with and to resolutely curb the bureaucratic malpractices of taking advantage of one's office for personal gain and not holding oneself responsible to the party and people. If we are indecisive, afraid of difficulties, or do not resolutely wage a struggle against the malpractices, our four modernizations will encounter serious difficulties or will even end in failure. The party committees and discipline inspection committees of many areas and departments have already attached great importance to such a serious issue and have made remarkable successes. However, the party committees and discipline inspection committees of some areas and departments, including some high-ranking leading cadres, still do not thoroughly understand the issue. They still do not handle the issue seriously and efficiently enough. For example, some people do not include the work of rectifying the party work style in the important agenda of the party committee, but instead treat it as a task of the discipline inspection committee at various levels. Some people turn a blind eye to or know nothing about the party work style problems among their subordinate units. Some people do not take a clear-cut stand or effective measures to deal with the malpractices. They just issue calls but do not work in a practical manner. Some people even treat the work of rectifying the party work style as separate from the four modernizations. They believe that when they boost the four modernizations, the issue of party work style matters little. But these comrades do not understand that the four modernizations are proceeding under the leadership of our party. A new situation in invigorating our economy will not be possible without the correct and strong leadership of the party organizations, or if we do not seriously crack down on and resolutely curb the serious bureaucratic malpractices such as taking advantage of one's office for personal gain and turning a blind eye to the things that are harmful to the socialist cause.

Comrade Hu Yaobang has recently pointed out: If we do not thoroughly understand the thinking, work style, and organizational situation of the ranks of our departments, or if we do not dare to either speak up or criticize or wage struggle, though we understand some problems or even some serious malpractices, how can we improve our business? We must rectify this mental attitude. We must frequently grasp well and to the end the work of rectifying malpractices, and grasp it level by level. We must take this as a very important criterion in judging whether or not a department has created a new situation in work.

Party leading cadres at various levels must take the lead in rectifying the party work style and be an example for the broad party members. The party committees at various levels must include the work of rectifying the party work style in their important agenda.



If an area or a department has longstanding serious malpractices in its party work style and is unable to rectify them, we must hold accountable and responsible the party committee at the upper level and the competent leadership, and also punish the party committee responsible for the work. The party committees and discipline inspection committees at various levels must, through thorough investigations, be familiar with how the matter actually stands. That is, they must know which units have good party work style and which units have serious problems in their party work style. They should use various forms to praise the units that have good party work style as well as the fine party members who determinedly wage a struggle against the malpractices. They should sum up their experience. They must take resolute measures to put an end to the phenomenon of a seriously unhealthy party work style and slack discipline. Some comrades give a great deal of unprincipled protection to people who made mistakes under the pretext of "shouldering responsibilities," but this is prohibited by the party discipline, and we must hold them accountable and responsible. We must readjust or reorganize according to the party Constitution those party organizations that seriously violate the party discipline but are unable to rectify their mistakes. We must by no means be softhearted in this work.

At present, all departments and commissions of the central organizations as well as the party committees at the provincial, city, and autonomous regional levels have already carried out a full-scale party rectification. In connection with the decision of the CPC Central Committee on party rectification, the Central Commission for Guiding Party Rectification has promptly included the rectification of malpractices as an important content of the simultaneous rectification and correction of defects in party rectification. As the first group of units carrying out party rectification are the upper leading organizations of our party, they have great influence on the work in various areas and departments throughout the country. We deeply believe that in the wake of the in-depth development of party rectification and the exemplary role played by those who carry out party rectification, we shall eventually win in this struggle against malpractices.

#### COMMENTATOR URGES BUILDING THIRD ECHELON

HK250350 Beijing RENMIN RIBAO in Chinese 20 Apr 84 p 1

[Commentator's article: "Pay Close Attention to Building the Third Echelon"]

[Text] Our party's various leading organizations at all levels must properly carry out two major tasks this year, namely, economic work and party rectification. While fulfilling four tasks in the course of party rectification, we must also devote great efforts to the building of the third echelon. This is an important organizational measure to give "stamina" to economic work and to safeguard our achievements in party rectification.

The 12th CPC National Congress marked the close cooperation between our party's first echelon and second echelon and the completion of a smooth transfer of power. Now, viewing the overall situation in the party, we can see that the first echelon has withdrawn step by step to the second and third lines, while the second echelon is working intensively on the first line. The building of the third echelon, as a task of great urgency, has already been placed on our agenda. Deng Xiaoping, Chen Yun, and other proletarian revolutionaries of the older generation have shown great concern about and have been personally engaging in selecting and promoting comrades in their prime to hold leading posts. We must attach priority to this task and always bear in mind our responsibility.

The current party rectification provides a good opportunity to select and train cadres to replenish the third echelon.

In the course of party rectification the ideological understanding of the vast number of party members will be enhanced, their work style and sense of discipline will be strengthened, and one can more easily distinguish "people of three categories" from others and can more accurately judge who does and who does not meet the requirements for selection. Thus, party rectification provides us with excellent conditions for building the third echelon. This task cannot be postponed until the party rectification is over, but must be carried out along with party rectification.

The selection and training of cadres to replenish the third echelon must follow some guidelines: First, the correct criteria must be upheld, and second, the correct methods must be adopted. Briefly, the correct criteria refer to our goal of making the contingent of cadres more revolutionary, younger in average age, better educated, and more professionally competent. One of the most important points is that we must select and promote those cadres who have extensive knowledge and are brave in and adept at creating a new situation. The correct methods require us to neither solely rely on hearing reports and reading personnel files, nor shift all responsibility onto organizational departments. Instead, our leading cadres must follow the example of the Liaoning Provincial CPC Committee and other leading organizations, by personally engaging in the assessment and training of cadres based on the opinions extensively solicited from the masses. It is necessary to persist in assessing cadres while training and using them. The building of the third echelon cannot be divorced from economic and other work. Only through practical work in the economic and other fields can we properly select cadres and build the third echelon.

In 1975, when Comrade Deng Xiaoping was assuming the central leading position, Wang Hongwen said in a threatening tone: Wait and see what happens 10 years from now. Nine years have passed since then. What have people seen in those years? They saw the end of the era when the "gang of four" ran amuck. They are witnessing the magnificent scene where the 1 billion Chinese people are striving for modernization under the leadership of the party. In order to safeguard our hard-earned victory and to realize our magnificent goal by the turn of the century, let us correct our pace in building the third echelon.

#### COMMENTATOR VIEWS SUPPORT ROLE OF INTELLECTUALS

HK260216 Beijing GUANGMING RIBAO in Chinese 15 Apr 84 p 1

[Commentator's article: "Is Everyone an 'Intellectual'? Refuting an Erroneous View"]

[Text] Not long ago a responsible prefectural comrade made the following "remark" at a conference. He said: "I have come into contact with some so-called intellectuals. They frequently say, 'I am a college graduate.' What if you are a college graduate? Is it possible we workers and peasants are no good? If we are no good, how could we conquer the country?" "You are, I am, he is. Everyone is an intellectual. You have only studied a few years more and received a bit more education. Does this make you an intellectual?" According to reports, you have expressed what is in our heart." It can be seen how stubborn this "leftist" idea of despising knowledge and despising intellectuals in the minds of some of the comrades is. We must make an effort to remove this idea.

Intellectuals are a historical entity. As long as there is a difference between mental labor and physical labor, there will inevitably be intellectuals. At present, an undeniable fact is that scientific and cultural knowledge as well as mental labor are relatively concentrated in some intellectuals, and this condition will not disappear for a considerable length of time.

Only by acknowledging this fact, adopting corresponding policies and measures, giving full play to the role of intellectuals, and systematic raising of the standard of knowledge of all the workers as well as the scientific and cultural level of the whole nation will we be able to create conditions for ultimately eliminating the basic difference between mental labor and physical labor in the future.

Eliminating the basic difference between mental labor and physical labor and having all members of society become new communists with all-round development -- this is our ideal as well as the objective of our struggle. However, this is a future prospect that still cannot be accomplished at present. If we ignore the facts, write off the difference between mental labor and physical labor, belittle the role of knowledge and intellectuals, resist the party policy towards intellectuals, and abandon the task of implementing the party policy towards intellectuals, we will be making the greatest mistake.

"You have only studied a few years more, and have received a bit more education, does this make you an intellectual?" Indeed, the distinction between intellectuals and other people lies in the fact that they have a better command of scientific and cultural knowledge, and this kind of distinction is not due to natural ability, but mainly to different levels of education. In our present effort to carry on the great cause of the four modernizations, we must equip our industry, agriculture, and national defense with modern science and technology. The modernization of science and technology is the key to the four modernizations. Therefore, the enormous role played by scientific and cultural knowledge, as well as the intellectuals, in the four modernizations cannot be ignored and belittled. Marx and Engels made a distinction between small production, characterized by "naturally produced instruments of production," and socialized large-scale production, characterized by "manmade instruments of production," and pointed out: "Under the former condition, exchange mainly takes place between man and nature, but under the latter condition, exchange is mainly carried out between man and man." Under the former condition it is sufficient to possess only ordinary knowledge and there is still no complete separation of physical labor and mental labor, whereas under the latter condition, it is in fact already necessary to carry out division of labor between mental labor and physical labor. ("Selected Works of Marx and Engels," Vol 1, p 72) The idea of neglecting and belittling the role of scientific and cultural knowledge, like the narrow outlook of small production, has something to do with the inability to understand the distinction between the "naturally produced instruments of production" of small production, and the "manmade instruments of production" of socialized large-scale production.

Comrades belittling the role of intellectuals in the four modernizations frequently consider themselves to be the representatives of the workers and peasants, and either intentionally or unintentionally spread the mood of setting the workers and peasants against the intellectuals. "What if you are a college graduate? Is it possible the workers and peasants are no good? If we are no good, how could we conquer the country?" As a matter of fact, nobody has said that the workers and peasants are no good. This conditional reflex has no more than reflected a kind of prejudice of these comrades. Instead we must ask these comrades: You are always declaring "we workers and peasants," but can you represent the workers and peasants? At present the CPC Central Committee and the leading cadres at various levels conscientiously implementing the policies and principles of the CPC Central Committee are the representatives of the workers and peasants, and the handful of leading cadres who either intentionally or unintentionally go against the policies and principles of the CPC Central Committee cannot represent the workers and peasants. As an example, in the countryside, under the conditions of implementing the production responsibility system, carrying out diversified economy, and developing commodity production, the peasants have a great eagerness for scientific knowledge. They regard the intellectuals as "gods of wealth," and scramble for them. In enterprises that implemented the economic responsibility system, common interests have linked the workers and the intellectuals.



The intellectuals are welcomed there and can properly bring their role into play. The working class has close ties with socialized large-scale production, and as the most promising and farsighted representative of advanced productive forces, is incompatible with the narrow outlook of small production. Many workers and peasants have acquired an intimate knowledge of the role of intellectuals as a result of practice, and they are able to understand the party policy towards intellectuals better than some of the leading cadres.

There is another question: Who conquered the country? As far back as the 1930's, Comrade Mao Zedong pointed out: "Without the participation of the intellectuals, victory in the revolution is impossible." ("Recruit Large Numbers of Intellectuals") Therefore, excluding the intellectuals from the forces "conquering the country" is inconsistent with historical facts. In land reform work during the war of liberation, there appeared the formulation of "the poor peasants and farm laborer conquering the country should rule the country." Comrade Mao Zedong seriously criticized this "leftist" mistake and pointed out: "In the country as a whole, it is the workers, peasants (including the new rich peasants), small independent craftsmen and traders, middle and small capitalists oppressed and injured by the reactionary forces, the students, teachers, professors, and ordinary intellectuals, professionals, enlightened gentry, ordinary government employees, oppressed minority nationalities, and Overseas Chinese, all united together under the leadership of the working class (through the Communist Party), who conquer the country and should rule the country, and it is not merely some of the people who conquer the country and should rule the country." ("On Some Important Problems of the Party's Present Policy") The victory of the revolutionary war and the seizing of national power are the result of the joint efforts of all revolutionary forces, including the workers, peasants, and intellectuals. Now the intellectuals have become a part of the working class, and like the workers and peasants, they are the forces we rely on for carrying out modernization. How can we set the workers and peasants against the intellectuals?

The comrades who belittle knowledge and the role of intellectuals frequently lack knowledge themselves. They do not respect knowledge and are also handicapped by long-term "leftist" prejudices. We must advise them: Comrades, quickly emancipate yourselves from the "leftist" fetters, get down from your high horse, study conscientiously, and catch up with the pace of advance of the four modernizations!

#### RENMIN RIBAO ON CASE OF INTELLECTUALS IN XIAN

HK161113 Beijing RENMIN RIBAO in Chinese 6 Apr 84 p 3

[Report by RENMIN RIBAO correspondent Dang Jizhi: "Qixianzhuang Village in Xian City Today"]

[Text] Qixian Zhuang is a well-known village in Xian, for it was a place where Comrade Zhou Enlai lived and carried out the struggle. Who could have imagined that in precisely the same city there would emerge another "village" called "Qixianzhuang" where a number of people of ability and political integrity are deprived of the opportunity to play their role. The "village" is the Xian City cement factory.

The Xian City cement factory was set up in 1970 with an investment of 8 million yuan from the state. For 10 years it successively suffered losses. By 1979, the leading group of the factory had already been reorganized eight times, but none of the leaders in the group were able to score any achievements. At that time the factory employed, through an "under-the-counter relationship," Li Naiheng, a "cement expert" who know nothing at all about cement. The factory appointed him to the post in charge of maintaining all the equipment in the factory. For 14 and 1/2 months he tried to fix the machinery, but failed to make it turn out even half a jin of cement.



After he worked on the machines, people found that no electric switches were installed or the machine turned the wrong way or rattled. What was to be particularly regretted was that he almost destroyed the key component of the mechanized horizontal kiln, the "stick with wolf's fangs" (the technical term is a rolling feeder). He worked on the machinery until March 1980, but still failed to put the factory into operation.

In the face of this difficult problem, the then Xian City CPC Committee publicly advertised the job vacancy. Hu Zhaoming, a scientific and technological worker who graduated from a cement speciality course in a university in the early 1960's, applied to be transferred from the city building materials department to the cement factory. He relied on the technical force in the factory and spent only 13 days in overcoming tremendously great difficulties in fixing the machinery, repaired the nearly-destroyed "stick with wolf's fangs," and made the machinery produce cement. This instance made the city CPC Committee realize that we had people of talent and virtue right in our hands. The question was, why had we failed to employ them? After discussion, the city CPC Committee decided to assign Hu Zhaoming to the post in charge of the cement factory.

The first thing this ordinary intellectual did after his appointment was to reduce the overstaffing and select and appoint people of talent and virtue to important posts. He assigned all those who had not much to do to posts in the first line of the production, freed a large number of talented people, and formed them into a factory technology department. In this department were employed senior engineer Zhang Fawen, engineers Zhang Guan and Chen Bingkun, assistant engineers Chen Zhongquan and Wang Ming, and college graduates with specialized cement knowledge Wang Shouming and Hou Huiping.

When the factory was managed by people who knew their jobs, many achievements were scored. Zhang Fawen, an old engineer who was wrongly labeled a "rightist," gave up his holiday leave and lead an experimental team to work day and night. He finally succeeded in calcining black raw materials, after which the factory yielded its first batch of high grade cement. Through experiments, he succeeded in substituting coal ash from power stations for slag in the material mix, thus finding a short-cut in overcoming the shortage of raw materials. Engineers Zhang Guan and Chen Singkun installed a hammer mill, which no one in the factory had dared to touch and which had lain idle for a long time. Thus they overcame a major difficulty in production. Chen Zhongquan progressively transformed the packing line of the factory and thus ensured normal production in the factory. By the end of December the factory had turned losses into profits in one stroke. It yielded more than 22,000 metric tons of cement, kept more than 3,500 metric tons of high-grade burned cement raw materials in store, and put an end to 10 years of losses. For the first time, its staff and workers received year-end bonuses. The city CPC Committee decided to publicly praise the factory in the newspaper.

Hu Zhaoming achieved great success in his work. However, this also exposed him to retaliation. Motivated by jealousy, that unprofessional Li Naiheng, who had damaged the equipment, wantonly abused Hu Zhaoming. Those who were not capable of operating the factory and did not intend to work in a practical manner began to exercise their permanent "right to criticize." They made a mockery of Hu, spread rumors, and even sent "reports" to accuse Hu. Xu Xieling, a deputy chief of the city building material bureau who had obtained his post by overthrowing his former superior, stopped a commendatory article, already approved by the bureau party group secretary, being carried in the newspaper, and deliberately laid obstacles before Hu so as to stop the factory from regular operation. Encouraged by Xu, Li Naiheng stirred up trouble everywhere: "Stop working, everybody. Just wait until Hu Zhaoming is expelled from our factory for failure to keep the factory running." In collusion with other people he insisted on rejecting cement products that had passed quality inspection and refused to let the products leave the factory.

As a result, the factory was jammed with surplus stock and the plant was forced to stop operation. Much stock deteriorated due to humidity or was even discarded.

While these people were stirring up trouble, the leading body of the Xian City CPC Committee was reorganized. Hu Zhaoming was faced with a still tougher situation. Soon after that, a strange decision was made: Hu Zhaoming was to return to the bureau to wait for a new post. As soon as Hu Zhaoming was moved from the factory, the technical section, which was regarded as his sphere of influence, was dismissed. Some members of the section were expelled while the others stayed idle. More than 20 people were involved in the case.

Among other small-sized cement enterprises in the country, the Xian City cement factory had the best equipment, the newest plant building, and a big contingent of technical personnel, and was known as the best of its kind in the country. However, the factory had the lowest output and its losses accounted for more than half the total losses suffered by 144 cement factories in the country. This was nothing strange, or, one could say, it was an inevitable outcome.

Yang Yongmao, the responsible person of the factory who took Hu Zhaoming's place after he left, said: "I will never use them (referring to those technical personnel) even if I have to pay them for staying idle." When Hu Zhaoming had been managing the plant the technical section had already completed all the design work for the project for an annual output of 150,000 tons of high-grade cement, and the factory had bought a complete set of equipment, including a rotating kiln, tube mill, coal powder grinder, electric dust collector, and so on, which could have yielded economic results once it was installed and put into operation. However, the equipment has now become seriously rusted due to long-standing exposure to the open air. The existing equipment ranging from transportation and lifting facilities to crushing, clay baking, store house, and other facilities were designed to meet the specifications for an annual output of 150,000 tons of cement. Nevertheless, since the rotating kiln has not yet been installed, the equipment in operation fails to run at full capacity, wearing out and bringing about waste of electricity, just like a stout horse drawing a small cart. The present annual output is a mere 20,000 to 30,000 tons. By the end of last year, the aggregate losses of the factory amounted to 4.17 million yuan and the factory was on the verge of bankruptcy.

To our great surprise, now those activists in the "Cultural Revolution" who had been "driven" by Hu Zhaoming to work in the workshops have had good luck again. A man called Hu Qingzhou, who was formerly a worker under the house building system and persecuted a lot of people during the "Cultural Revolution," has now been promoted to be the chief controller in charge of production and was even elected as the factory's representative to participate in the national conference on cement production technology the year before last. Of course, he made a spectacle of himself at the conference since he knew nothing about production. Another man called Zhang Jingtai, who had been promoted for his merit in overthrowing his superior during the "Cultural Revolution" and was expelled from the party and removed from the post of workshop chief after the 3d Plenary Session of the 11th CPC Central Committee, has now recovered his former position and thus made a mess of everything again. He also made a lot of money from recruiting a number of casual laborers. Li Naiheng, the professional in "earning extra income," has even been "appointed" by the responsible person as the assistant factory manager despite his proven criminal activities of taking bribes from casual laborers.

As a result of the perverse acts of such people, the Xian City cement factory lost 1.1 million yuan from 1981 to 1983. It continued to muddle along in such a way. Until the end of 1983, the city authorities had no alternative but to remove principal leaders of the factory from office because it had suffered too many losses.

People say that there are countless things that are quite unusual in the Xian City cement factory. For example, such a small factory, which only needs about 200 workers on the first line of production, often hires more than 100 casual laborers throughout the year. The secret of the matter is: The more laborers that are hired, the more some people benefit. They offered the official post of deputy director to engineer Chen Bingkun, head of a technical section, but they asked him only to take charge of the odd jobs of back-up services. When Chen questioned this, the reply was: "You ought to be satisfied."

When Zhang Quan, Chen Zhongquan, Wang Shouming, and other engineering personnel were forcibly transferred to workshops, and were told with fine-sounding words: "You are being transferred there to strengthen the first line."

Lin Yuexian, a supervisor of cement production of the provincial Building Materials Bureau pointed at Zhang Fawen, an old engineer, and said: "Remember, you were once a rightist." Principal leaders of the Xian City cement factory also said: "These rightists are not reliable, as most of them were released from corrective training teams." Under the pressure of such flogging, Zhang Fawen could do nothing but apply for resignation.

The very Li Yuexian who brought disgrace on Hu Zhaoming suddenly became a member of the joint fact-finding team organized by the department for economic affairs of the provincial CPC Committee. At the very beginning of an investigative report on Hu prepared by Li Yuexian, he wrote: "Hu Zhaoming comes from a landlord's family."

Hu Zhaoming was again transferred to the city's Building Materials Bureau, but he has been kept waiting for an assignment for 3 years. The production of the "Qixianzhuang village" -- the Xian City cement factory -- was at a standstill for 3 years, it failed to produce 200,000 tons of high grade cement and to turn over 8 million yuan to the higher authorities. However, that deputy director of the city's Building Materials Bureau, by the name of Xu, who rose in the "Cultural Revolution," has been promoted three grades in succession in recent years. But Hu Zhaoming has still been refused the title of engineer on the excuse of "providing insufficient basis for supporting the title," and his salary raise was withheld.

To uphold justice, offices of the newspapers SHAANXI GONGREN BAO [SHAANXI WORKERS' NEWSPAPER] and KEJI SHICHANG BAO [SCIENCE AND TECHNOLOGY MARKET NEWSPAPER], breaking through all kinds of obstructions, made an in-depth investigation and published three articles to expose the matter last July, August, and September. Nevertheless, at this late date no reaction has been heard. What does the silence mean? People have to ask: "The party Central Committee has time and again stressed the necessity of implementing the party's policies among intellectuals, consolidating enterprises, and turning losses to profits. Should these party policies still stand in Xian City? Should it carry them out?"

#### LEADERS ATTEND BEIJING ART PERFORMANCE

OW242119 Beijing XINHUA in English 1830 GMT 24 Apr 84

[Text] Beijing, April 24 (XINHUA) -- Rural art troupes from cultural centers in the suburbs of scenic Suzhou performed before senior Chinese leaders here tonight at Zhongnanhai, seat of the party Central Committee. The art troupes have been asked by the Propaganda Department of CPC Central Committee and the Ministry of Culture to perform in the capital not only for their superb village flavor performances, but also because they represent a new trend of self-supporting rural art troupes that are fast developing in the countryside.



Among the audience tonight were Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee and head of its Propaganda Department; Tian Jiyun, vice-premier of the State Council; and Zhu Muzhi, minister of culture. Deng Liqun praised the rural art troupes for opening up a new road in developing culture activities in China.

The rural artists do not ask for a penny from their peasant audience. To earn their living, they work in township factories in the daytime and perform at night. The whole thing started with the growth of the rural economy, which has brought a better life to the peasants. The Suzhou peasants, 70 percent of whom are young people below 40, need more cultural activities and are no longer satisfied with occasional performances by roving art troupes from the cities. At first the peasants formed art troupes of their own, only to be dissolved during busy farming seasons, and their artistic level could not go up. Later, the young artists joined forces and decided to set up factories to earn an income and to keep their performances going. 132 such art troupes running 132 factories now exist in greater Suzhou, with a combined population of 5.3 million. They earned a total output value last year of 10.43 million (about 5.2 million U.S. dollars) through producing lampshades, embroidery, knitwear, and other handicraft and light industrial products. The money they earn enables them to give free performances of local operas and song and dance pieces.

Most of the art troupes have been set up since 1980, but the oldest one, the Zhaofeng Art Troupe, has a ten-year history. With the funds accumulated, they constructed a building for their cultural center, a three-story factory building, and a rehearsal hall with 200 seats and excellent lighting and accoustic equipment.

The artists' livelihood is also guaranteed. They now get an average wage of 60 yuan, and some troupes have built housing for the young people. The young people's present goal rests not only at raising their own living standards, but at building up the general cultural level in the countryside. Libraries and cultural centers have been set up.

Suzhou, which has 106 cultural centers in its 165 townships, now boasts 146 cinemas and theaters, 229 film projection teams, in addition to town libraries and production brigade reading rooms. Other cultural facilities include floodlit courts, pingpong rooms, TV rooms, broadcasting stations, chess rooms, and consulting stations for agricultural science and technology.

General Secretary Hu Yaobang said in 1979 that all small townships should be built into political, economic, and cultural centers at the grassroots. Cao Zifang of the Suzhou City government says that cultural centers are "significant in narrowing the gap between the city and the countryside," and Suzhou plans to set up such centers in all its townships before 1985. According to the Ministry of Culture, China now has more than 6,000 cultural centers at township level.

#### SONG RENQIONG VISITS SICHUAN'S DUKOU CITY

HK240834 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 24 Apr 84

[Text] Song Renqiong, member of the Political Bureau of the CPC Central Committee, and Xu Mengxia, secretary of the Sichuan Provincial CPC Discipline Inspection Committee and member of the Standing Committee of the provincial CPC Committee, paid a visit to Dukou City from 20 to 22 April and gave some instructions there.



I. 25 Apr 84

K 17

CHINA  
PRC NATIONAL AFFAIRS

During their stay in Dukou City, Song Renqiong visited some factories and mines and met with people from various circles. Wherever he went, he shook hands with the workers and cadres there and had cordial talks with them, asking them about their production, work, and daily life. He showed great interest in many new production techniques and technologies and encouraged workers and technicians to make greater progress and produce more and better products.

Comrade Song Renqiong spoke highly of the people of Dukou, who have developed the Yanan spirit and built this steel base through arduous struggles over the past 19 years. He said that using the resources in Panzhihua in a comprehensive way to raise economic returns and do a better job in various fields is an indispensable component part in realizing the general task of quadrupling the total industrial and agricultural output value. While grasping production, it is also necessary to pay attention to environmental protection and preventing pollution. It is necessary to speed up urban construction and improve commercial service and the people's livelihood.

Comrade Song Renqiong showed great concern for the growth of youths and children and the training of staff and workers. He said that education must be grasped from one's childhood. Children must be educated so that they can possess good morality and have ideals from childhood. He encouraged the workers to strike root in Panzhihua and make further efforts at their posts so as to promote the work in various fields.

#### ZHAO ZIYANG VISITS SHENGLI, ZHONGYUAN OIL FIELDS

OW250331 Beijing XINHUA Domestic Service in Chinese 1152 GMT 23 Apr 84

[Text] Beijing, 23 Apr (XINHUA) -- China's oil industry has entered a new stage of development and should contribute more to the country, said Premier Zhao Ziyang when he was inspecting the Shengli and Zhongyuan oil fields. During an inspection tour of the Shengli oil field in Shandong and the Zhongyuan oil field in Henan from 8 to 13 April, Zhao Ziyang and his party visited drilling teams and oil wells to have cordial conversations with workers, technicians, and basic-level cadres; watched a production demonstration at a high-yield oil well; heard reports by the Ministry of Petroleum Industry and officials at the two oil fields; and held a special forum with technical experts to analyze the situation in petroleum industry, and to study future plans. Zhao Ziyang spoke on how to further develop the petroleum industry.

Zhao Ziyang said: Comrade Hu Yaobang wrote an inscription for the petroleum industry front in February of this year: "The History of the petroleum industry front is created by one million-strong world-shaking trailblazers." The inscription highly appraises the tremendous achievements of the petroleum industry front since the founding of New China, and the contingent of petroleum workers who possess exceptional fighting capacity. I want to add this: In the 5 years since the 3d Plenary Session of the 11th CPC Central Committee, work on the petroleum industry front has made tremendous achievement under the guidance of the policy of readjustment, restructuring, consolidation, and improvement, and a good situation has emerged in almost all oil fields throughout the country. This is mainly reflected in the following:

First, China's petroleum output has not only held steady at over 100 million tons annually for the past 4 years, but has been gradually increasing. Second, new reserves has been verified, which have created the condition for further development. Third, we have gained further knowledge about geological structure and the law governing oil reserves. Fourth, the petroleum industry's technical and equipment level have been raised considerably by importing advanced technology and key equipment, and we have become skillful in prospecting for and exploiting oil.

From the above facts, we can see that the policies and measures we have adopted in the past 4 years have given the petroleum industry front an opportunity to stabilize its oil output, and to make preparations for further development possible. These policies and measures are absolutely necessary. Because of the concerted efforts of all staff members and workers on the petroleum industry front, the task for new development has been completed and a new period of development has arrived. Henceforth, China's oil industry, while maintaining a steady increase in output on the mainland, should make full preparations for further new development and, at the same time, strive to gradually contribute more to the country.

Zhao Ziyang pointed out: The present situation in our country is excellent. We can say the government is stable, the people are harmonious, and everything is flourishing. An atmosphere of vigorous development has begun to appear on all fronts. While we must strive to maintain our steady economic growth in the next few years, we must also pave the way for development in the next 10 years, the next few years after that, or even into the next century. To achieve our target at the end of this century, successfully carry out key construction projects, and bring into better balance relations between the various sectors of the economy, we must not only make investments for long-term development, but must also strive to bring about immediate economic growth and continually improve the living standards of the people. Although our present financial situation is quite difficult, and we are confronted with many contradictions, there are many things awaiting completion. The oil industry is an important pillar of the national economy and is a major source of state revenue. Therefore, we hope that the petroleum industry front will make a greater contribution to the four modernizations and to easing the country's tight financial situation. The oil industry should not only consider how much oil it will produce by the end of this century, but must strive to produce more oil, with less input, in the next few years. This is required by the overall situation in the development of the national economy, and is aimed at tapping potential and easing the country's tight financial situation. This is not only necessary, but possible.

Talking about the future work of the oil industry, Zhao Ziyang said: New development in our country's oil industry must be achieved on a scientific and reliable basis. Only thus can stable and high yield be achieved, only thus can there be reserve strength. We should be sober-minded enough to see that inadequate verified reserves are a major problem for the oil industry. Therefore, it is necessary to strengthen geological prospecting to increase our reserves. This is a priority task and the focus of work for the oil industry. At the same time, it must think of a way of producing more oil in the next few years. Taking the overall situation into consideration, it is necessary to strengthen the work of the oil-producing areas in the eastern part of the country. Efforts should be made to drill new high-yield wells in or around existing oil fields where there are rich reserves, and to raise output per unit. In this way we can produce more oil with less investment.

He added: The development of the oil industry depends on correct policy decisions. In addition, its dependence on policy, science, and technology must be stressed. The oil industry should combine Daqing's fine tradition of political work and the job responsibility system with the economic responsibility system being practiced throughout the country. Staff members' and workers' material benefits should be linked to enterprises' economic results and with the overall fulfillment of the state plan. Those who work hard should be rewarded, while the lazy should be punished. Those who work more should get more pay. Workers who do very hard work, such as well-drilling and working on the rig, should first of all be assured of getting more pay for more work done, and to have bigger increases in income. Material benefits and political work can effectively enhance the initiative of all staff members and workers. Zhao Ziyang also said: The oil industry must pay special attention to the role of science and technology. With the arrival of the new technical revolution, the development of science and technology has been very rapid, and the cycle of technological replacement has been shortened considerably.

This includes prospecting, drilling and oil exploitation technology. We can say that it changes every day. In accordance with our own characteristics, we should import new technology, learn to apply it, and gradually arm our oil industry with advanced technology and equipment. The Ministry of Petroleum Industry should be given power of decision to carry out this task.

During his inspection tour, Zhao Ziyang highly praised the oil workers' revolutionary spirit of daring to shoulder heavy burdens, increasing pressure on themselves, and consciously making contributions to the country. He said: I am very pleased and inspired after visiting these two oil fields. Prospects for the development of the oil industry throughout the country are bright. The situation of oil production on land and offshore is very good. In the course of the practice of revolution and construction, the oil workers have transformed the objective world as well the subjective. As their knowledge increases, they will become more clever and skillfull. We await good news from you. We hope all staff members and workers on the petroleum industry front will continue to work hard and achieve greater success in the new period of development for the oil industry.

#### MINISTER LI XIMING ON BUILDING INDUSTRY REFORMS

OW240857 Beijing XINHUA Domestic Service in Chinese 1138 GMT 23 Apr 84

[By reporter Chen Naijin]

[Text] Beijing, 23 Apr (XINHUA) -- The building industry must first undergo reforms in four areas before it can become a powerful materials producing sector meeting the needs of the four modernizations drive and providing still better service to the national economy and to the upgrading of the people's living conditions in both urban and rural areas. This was pointed out by Li Ximing, minister of urban and rural construction and environmental protection, in a speech to the national conference of directors of urban and rural construction departments and bureaus that opened today.

The four areas for reform are:

1. Do away with the past practice of assigning construction tasks only through administrative means and adopt instead the method of inviting tenders and placing bids for all construction projects except for certain special projects and large projects. Instead of delivering building materials to the investors, practice the method of sending the materials to the contractors by asking the supply departments to deliver the materials directly to the units contracted for the construction work. Reform the investment system for urban housing and public welfare projects by adopting the comprehensive development method to complete each project as a part of the whole and strive to map out a plan for the whole area so as to develop and benefit the whole area. Gradually adopt the practice of treating houses as commodities that can be offered to a unit or an individual for sale or through exchange arrangements and strive to solve the urban housing problem through various means.
2. Open up rural markets for the building industry and promote village and town construction. All urban and rural construction departments should energetically encourage the opening up of rural markets for the building industry.
3. Gradually build up a combined contingent of urban and rural construction workers under an organizational system in which state enterprises play the key role, collective enterprises play the auxiliary role, and rural construction teams play the supplementary role.



Meanwhile, unitary employment used by state enterprises should be reformed to adopt the new employment system of hiring both permanent and contract workers with a gradual increase in the percentage of contract workers. Civilian workers should be allowed to come to the cities to contract for building jobs.

4. Do away with the past method of calculating the total amount of wages on the basis of the number of workers and adopt instead the method of fixing the wage amount at a percentage of every 100 yuan of the construction output value. In other words, the state will pay an enterprise the total wage amount calculated on the basis of a fixed percentage of the output value of the construction completed by the enterprise for the latter to distribute as it sees fit. Within the enterprise itself, there should be more pay for more work and less pay for less work. In order to do away with egalitarianism, there should be no limit on the maximum pay one can earn and neither should there be any guarantee that the basic wage will be the lowest pay a staff member or a worker can make.

Li Ximing stressed that, in the course of reforms, those in the building industry must continue to emancipate their minds and display the spirit of constantly bringing forth new ideas to blaze a new trail with Chinese characteristics in the development of the building industry.

#### PREPARATIONS MADE FOR GUANGDONG NUCLEAR PLANT

OW250905 Beijing XINHUA Domestic Service in Chinese 0836 GMT 24 Apr 84

[By reporter Zhang Yaoliang]

[Text] Shenzhen, 24 Apr (XINHUA) -- Progress has been made in preparations for building the Dayawan nuclear power plant in Guangdong, the first large nuclear power station to be built in China with joint Chinese and foreign investment. The preparatory construction work has begun. During a recent inspection of Shenzhen City, Vice Premier Li Peng affirmed the achievements made in the preparatory stage and said that the preparations had paved the way for formally starting the construction of the nuclear power station. According to its design, the Guangdong nuclear power station will have two 900,000-kilowatt generators, with a total power generation capacity of 1.8 million kilowatts. It requires a basic investment of \$2 billion.

The station will be operated jointly by the Guangdong Nuclear Power Investment Company Ltd and the Hong Kong Nuclear Power Investment Company. At present, the preparatory construction engineering work has begun, including the building of water and electricity supply systems, building of roads, leveling of land, and construction of sea walls and breakwaters, totaling some 2.7 million cubic meters of earth and stone work. The preparatory construction engineering work is being undertaken by the Shenzhen branch of the Jilin metallurgical and mining project construction company, which won the bid for the construction. The engineers, technicians, and workers are working hard with determination to do well in the first job in China's nuclear power development.

#### EASTER SUNDAY CELEBRATED IN BEIJING, OTHER CITIES

OW220650 Beijing XINHUA in English 0639 GMT 22 Apr 84

[Text] Beijing, April 22 (XINHUA) -- More than 10,000 Catholics, including 300 foreign worshippers from over 20 countries, attended the Easter Sunday services today at the Church of St Mary of the Immaculate Conception and the St Joseph's Church.



I. 25 Apr 84

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CHINA  
PRC NATIONAL AFFAIRS

According to a church official, although many believers are sitting for a self-study examination organized by the Beijing municipal government, the Church of St Mary of the Immaculate Conception has been crowded with worshippers since ceremonies of blessing the holy water, oil, and fire began on Holy Thursday.

The church started its first mass at 05:30 hours and the fifth mass to be held in the evening. [sentence as received] Two pontifical masses are respectively officiated by Michael Yang Gaojian, bishop of Changde Diocese, and Michael Fu Tieshan, bishop of Beijing Diocese, at the two churches. Correspondents from the Columbia Broadcasting System (CBS) who are to report President Reagan's China visit covered the celebration at the churches. Easter Sunday services were also held today in Protestant churches in Beijing, Guangdong, and Hunan.

#### WELL-OFF VILLAGE PURCHASES MICROCOMPUTER

OW230337 Beijing XINHUA in English 0101 GMT 23 Apr 84

[Text] Zhenzhou, April 23 (XINHUA) -- The well-to-do village of Liuzhuang in Henan Province caught the attention of the country again by buying a microcomputer for processing data in cost accounting, income distribution, and agrosience research. Earlier this year the central China village took the lead in ordering an ultralight aircraft for use in arooseeding and spreading pesticides.

The peasants of the village were delighted at seeing the gadget display figures showing the income distribution of the village in 1983. Liuzhuang is one of the riches villages in China, noted for its high grain and cotton yields and its diversified undertakings including dairy farming and rural industrial enterprises. The microcomputer was bought with the peasants' collective fund from the Nanjing radio factory.

The Henan Electronic Computer Technology Service Company will help train operators and coordinate efforts for the development of software suitable for use in China's rural areas.

#### SEISMIC SURVEYS TO BEGIN IN SOUTH CHINA SEA

OW231941 Beijing XINHUA in English 1440 GMT 23 Apr 84

[Text] Guangzhou, April 23 (XINHUA) -- A foreign consortium will begin conducting seismic surveys in the South China Sea late this month, according to the Nanhai East Oil Corporation. The consortium is composed of the Chevron Overseas Petroleum Ltd. and the Texaco Orient Petroleum Company of the United States, and the AGIP (Overseas) Ltd. of Italy.

Surveys of the 3,189-square kilometer area, 150 kilometers southeast of Hong Kong, will be carried out under a three-year contract which went into effect on January 1, 1984.

Responsible for the contract will be the consortium and the Nanhai East Oil Corporation, which will act on behalf of the China National Offshore Oil Corporation.

REPORTAGE ON 6TH HUBEI PEOPLE'S CONGRESS

## Congress Opens

HK220412 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 21 Apr 84

[Excerpts] The Second Session of the Sixth Hubei Provincial People's Congress solemnly opened in the Hongshan Hall, Wuchang, this morning. The deputies listened to reports on government work and on the budget. Presidium Executive Chairmen Han Ningfu, Li Fuquan, Zhang Xiulong, Tao Shuzeng, Jiao Dexiu, Tang Zhe, Zhang Jinxian, Wu Xianwen, Shi Chuan, Lin Musen, Chu Chuanyu, Wang Zhizhuo, and Lin Shaonan were present. Comrade Han Ningfu declared the session open at 0830. After the national anthem had been played, Governor Huang Zhizhen delivered a government work report on behalf of the provincial People's Government.

Reviewing the development of economic construction and all undertakings in 1983, the report said: The province's national economy continued to develop in a steady and healthy way in the past year. On the basis of a marked improvement in economic results, total industrial and agricultural output value reached 45.25 billion yuan, a rise of 4,295 million yuan or 10.5 percent over 1982. Notable results were scored in building spiritual civilization. Social atmosphere and order continued a turn for the better.

The report put forward the main points in economic development in the next 4 years. These are: to speed up the pace of agricultural development; to raise industrial production to a new level; to step up the construction of the energy, communications, and raw materials industries; to be ready for the challenge of the new technological revolution and vigorously step up the tapping of brain power; to work to expand external economic and technological exchange; and to further improve the people's material and cultural life. The report said: We must do a thoroughly sound job in work in 1984, as follows: 1) Strive for a great bumper harvest in agriculture; 2) in industry, achieve synchronous growth of output value, tax and revenue, and turnover of tax and revenue to the state; 3) continue to control the scale of capital construction and concentrate forces to ensure key construction work; 4) continue to get a good grasp of reforming the economic setup; 5) make further arrangements for the markets; 6) get a good grasp on education, science, and technical work; 7) achieve new development in culture, public health, physical culture, and so on.

Part four of the report focused on questions of improving government work and leadership methods, pointing out: We must further emancipate our minds, persistently carry out reform, be bold in exploration, and clear the way to forge ahead.

The report said in conclusion: Although the tasks facing us are arduous, so long as we unswervingly implement the party's line, principles, and policies since the 3rd Plenary Session of the 11th CPC Central Committee and those of the 12th party congress, and continue to rely all the people of the province to work hard together, we will certainly be able to go from victory to still greater victory.

(He Fulin), director of the provincial Financial Department, then delivered a report on the final accounts for 1983 and the draft budget for 1984. A total of 851 people's deputies were present at the session.

## Quan Guangfu at Group Discussions

HK231040 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 22 Apr 84

[Text] The 2nd session of the 6th provincial People's Congress entered group discussions today. Guan Guangfu, Wang Quanguo, Han Ningfu, and other comrades took part in group held by the Wuban and Xiangfan City delegations.

At the 5th discussion group of the Wuhan City delegation, Comrade Guan Guangfu made a statement. He said: Our province made a new achievements in economic construction and

other areas in 1983, which can be concluded from the following three aspects: 1) Bumper harvests were seen in a year when serious natural disasters overwhelmed us, and a simultaneous increase in output value, profits, taxes, and revenue was yielded in the development of the province's economy. 2) The convention of the fourth party congress helped to reach a common understanding among party members and cadres and defined a clear aim for Hubei Province to strive to march at the head of the four modernizations drive in the country. 3) Structural reforms of government offices were generally completed.

When some delegates were calling for an increase of outlay for education, public health, and investment in intellectual development, Comrade Guan Guangfu interrupted: To make advances in many undertakings, economic construction lies at the heart of all. Only when economic construction makes progress will it be possible to develop other undertakings in coordination. In the spirit of the party Central Committee, we must go ahead boldly with our work this year. We must take a more flexible policy in agriculture and make vigorous efforts to grasp weak links and to solve the problem of circulation. Meanwhile we must grasp reforms in industry and must be bold to carry out reforms and make progress by virtue of science and technology. So long as all of us work as one and go ahead boldly with our work, Hubei will certainly be able to march at the head of the four modernizations drive in the country.

At today's group discussions, delegates also put forward a number of constructive suggestions for the fulfillment of expected targets set in the government work report for economic construction in the coming 4 years.

#### Governor Gives Work Report

HK230745 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 22 Apr 84

[Excerpts] Hubei Province scored new success in economic construction and other areas in 1983 and a simultaneous rise in output value, profits, taxes, and revenue also occurred. This was revealed by Governor Huang Zhizhen in his report on government work at the second session of the sixth provincial People's Congress.

Huang Zhizhen said: 1983 witnessed the province's economy continuing to develop in a steady and healthy way. With marked achievements in economic results, the gross output value of industry and agriculture amounted to 45.25 billion yuan, an increase of 4,295 billion yuan or 10.5 percent over that of 1982. Despite repeatedly being hit by heavy floods, the province still saw bumper harvests in agricultural production in 1983. Total output of grain production reached 39.76 billion jin, almost equalling the 1982 record and an all-time record for the province, and cotton output was 7.695 million dan, an increase of at least 10 percent over that of 1982. In addition, the province also made a mighty advance in aquatic products, pig raising, commune- and brigade-run enterprises, forestry, and other undertakings. The total output value of agriculture amounted to 14.02 billion yuan, an increase of 2.2 percent over last year. The province's industrial production achieved greater economic results and continued to maintain a relatively high growth rate. Total industrial output value rose by 14.7 percent over 1982 and good results were achieved in improving product quality and reducing energy consumption.

In his report on government work, Huang Zhizhen also said: The province's urban and rural markets were prosperous and booming in 1983. New progress was made in foreign economic relations and trade, stimulating a rise of 13.1 percent in the volume of exported goods over 1982. The province's revenue in 1983 was 4.044 billion yuan, increasing by 11 percent over 1982. Thanks to the rapid development of production, the livelihood of the people in urban and rural areas continued to improve.

The annual income of workers and staff members in the units owned by the whole people increased to 781 yuan from 760 yuan in 1982, an increase of 2.8 percent. Meanwhile, nearly 200,000 personnel in cities and towns became employed. Peasant's per capita income was 299 yuan in 1983, an increase of 4.6 percent over 1982.



In the report, Huang Zhizhen pointed out: The province also made new advances in science, education, culture, public health, and other undertakings in 1983. Departments in charge of scientific and technological work and research centers at various levels popularized a number of new technologies and achievements which can produce better economic results. The principle of differing standards and varying forms was effectively implemented in higher education. Achievements were made in the public health undertaking. The incidence of acute infectious diseases dropped by 13.7 percent over last year and the rate of population growth remained under 10 per 1,000.

#### HUBEI OPENS NEW PROSPECT IN RECTIFICATION

HK241457 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 22 Apr 84

[Text] According to HUBEI RIBAO, in line with the decision of the Central Commission for Guiding Party Rectification and in the spirit of Comrade Hu Yaobang's recent remarks in Hubei, the Hubei Provincial CPC Committee yesterday offered eight suggestions for following the principle of simultaneous rectification and correction of defects so as to further open up a new prospect in party rectification. The suggestions are:

1. Quicken the pace of reforms. Agricultural reforms must be helpful in accomplishing the positive results of the rural work conference held by the provincial CPC Committee. The concrete measures affirmed by the conference to further emancipate our minds and to follow a more flexible policy should be carried out without hesitation. A new situation should be created in economic reforms in cities. It has been decided to form a special leading group, which will include a deputy secretary and two Standing Committee members of the provincial CPC Committee as well as responsible comrades of the departments concerned, to promptly work out drafts in the light of the ideology of the party Central Committee and the State Council for guiding economic reforms and according to the actual situation in the province so as to quicken the pace in the province's reforms of the economic structure. The Organization Department of the provincial CPC Committee will be responsible for working out drafts on reforms of the cadre system.
2. Make unflinching efforts to check unhealthy tendencies in allotment and building of dwelling houses and stress must be placed on solving the five categories of problems as pointed out in the open letter of the Central Discipline Inspection Commission. Meanwhile, untiring efforts must be made to stop all practices which violate financial discipline and other relevant rules and regulations and to solve the problem of building excessively extravagant houses for a small number of leading cadres and the problem of seeking privileges in the allotment of houses and resorting to improper means to obtain extra floor space for oneself or for one's children, relatives, and friends. The provincial Discipline Inspection Commission will be responsible for grasping the work, while the Office in Charge of Party Rectification of the provincial CPC Committee will play the role of supervision and examination.
3. Solve the problem of piles of documents and endless meetings. To this end, it is necessary to strengthen investigation and study. Also, jointly with the administrative offices of the provincial People's Congress Standing Committee, People's Government, and the CPPCC, the administrative office of the provincial CPC Committee will be responsible for proposing effective measures.
4. Make vigorous efforts to implement policies on intellectuals and the united front work policy, and in particular to solve the practical problems which call for immediate solutions. A breakthrough must be made in handling typical cases in relation to some selected units and individuals. In carrying out policies on intellectuals, priority must be given to solving problems related to outstanding young and middle-aged intellectuals who still feel constrained in some units. The leading team in charge of intellectual work and the Department of Science and Education of the provincial CPC Committee will be responsible for making breakthroughs in implementing policies on intellectuals, and the leading team in charge of implementing the united front work policy and the department in charge of united front work of the provincial CPC Committee will be responsible for making breakthroughs in implementing the united front work policy.



5. Vigorous efforts must be made to solve the problem of heavy economic losses incurred due to bureaucratic style of work. The provincial Discipline Inspection Commission must study and handle the case of countless rotten tangerines which occurred in Baduo. After making investigation and study, the team for guiding party rectification in economic enterprises and units should choose some typical cases related to economic affairs and deal with them openly.

6. The problems left over in the course of readjusting leading groups in structural reforms must be solved as soon as possible.

7. The provincial Discipline Inspection Commission will be responsible for dealing with unsettled and hardened cases.

8. Vigorous efforts must be made to solve the problem of illegally changing domiciles from rural areas to urban areas. The provincial Discipline Inspection Commission must immediately investigate the grave unhealthy tendencies of illegally changing domiciles from rural areas to urban areas in Huangmei County, and handle the problem in all earnest.

The provincial CPC Committee called for further enhancing the level of understanding seeking unity of thinking, and dividing work clearly in order to conscientiously carry out the aforementioned work and to open up a new prospect in the work of party rectification. Meanwhile, it is necessary to strengthen propaganda work so as enable party members and the masses of people to readily see the positive results of party rectification, and to further stimulate their confidence in doing a good job in party rectification and other areas of work.

#### HUNAN FORMS MEASURES TO RELAX PRICE CONTROLS

HK250702 Changsha Hunan Provincial Service in Mandarin 2310 GMT 25 Apr 84

[Text] In studying and implementing the spirit of Document No 1 of the CPC Central Committee, the provincial Pricing Bureau, in consideration of the province's reality, formulated six measures for reasonably relaxing price controls on the basis of maintaining stable market prices. The six measures are as follows:

1. Reasonably relax price controls on some farm and sideline products. The method of negotiated purchase and sales should be adopted in the third category of farm and sideline products and in the first and second categories of products which are permitted to be sold in the market after the fulfillment of the state monopoly purchase plan, so that prices can be negotiable.

2. Assign to lower levels the power to control prices on cakes, candy, and other minor nonstaple foods.

3. Reasonably upgrade the purchase price of fresh eggs in suburban areas of six cities administered by the provincial government. On the basis of the existing purchase prices, the purchase price should increase by 10-15 yuan for each dan of hen eggs and 8-13 yuan for each dan of duck eggs. Of the eggs purchased in the six cities, except for some which are stipulated to be supplied to local residents and [words indistinct] at a reasonable price, the other should be marketed and sold at negotiated prices.

4. The prices of products manufactured by town and township enterprises should be the same as that manufactured by state-run enterprises if they are of the same quality. They can be marketed and sold with other products at negotiated prices.

5. Assign to prefectural and county levels the power to control prices on three categories of Chinese herbal medicines. Departments marketing Chinese herbal medicines at all levels may reasonably adjust purchase and selling prices according to the changes in supply and demand on the local market.

6. Earnestly relax prices of three categories of small industrial commodities, and the method of negotiating prices by industrial enterprises should be adopted for these commodities so as to promote production, to stimulate the market, and to enliven prices.

HUNAN ADVANCED WORKER, 'REFORMIST' RELIEVED OF POST

HK250308 Changsha Hunan Provincial Service in Mandarin 2310 GMT 20 Apr 84

[Text] Today's [21 April] HUNAN RIBAO frontpages a letter entitled: "How Can They Treat a Reformist in Such a Way?" describing how (Wang Ziqi), a provincial advanced worker, was relieved of his post as manager of the Xiangtan City Low Voltage Electrical Appliance Factory because of his courage to carry out reforms. The letter calls for correction of the mistake.

The letter says: We now report an important event to the party's newspaper. (Wang Ziqi), a provincial advanced worker who had the courage to carry out reforms and also former manager of our factory, was relieved of his post as factory manager during structural reform. To tell the truth, Manager (Wang) was popular among most of the staff and workers of our factory. We remember that at a meeting of all staff and workers of the factory held in early 1982, less than 1 month after his transfer to our factory, he pledged that he would change losses into profits in 1 year and issue bonuses to staff and workers. Making such a pledge was not at all easy. At that time, our factory was very poor and suffered heavy losses. The staff and workers were worrying whether or not salaries could be released, let alone whether they would receive bonuses. Manager (Wang) had been transferred to the factory only a very short time ago, so could his pledge be realized? Despite all these worries, Manager (Wang) meant what he said and did not indulge in empty talk. After 11 months, our factory made profits. The staff and workers were very happy when they received bonuses.

What skill did Manager (Wang) have? His skill was none other than grasping enterprise reform. As soon as he came to the factory, he formulated policies on business operation, straightened out labor discipline, and practiced the reward and punishment system. He devised [words indistinct] and various economic responsibility systems, and was very methodical in his work. It was unavoidable that he would get into trouble in carrying out reform. It was said that he offended some leaders at higher levels. Some said that he was ambitious; others scolded him for telling lies; still others made things difficult for him by transferring his right hand man to another place and placing around him some persons he did not need.

We must particularly point out that the joint plan with a nearby factory was formulated by Manager (Wang) and his comrades at the cost of much effort and energy. We know that Manager (Wang) carried out reform in the factory more vigorously after he was elected provincial advanced worker. If the joint plan is successful, our output and profits would be doubled. But some leaders did not agree with the plan and spread the rumor that (Wang Ziqi) wanted to become a county and regiment-level cadre. Was it clear that they deliberately made things difficult for him?

The last time that some people from the city leadership came to the factory to announce the establishment of the new leading body of the factory, they said that (Wang Ziqi) would be assigned to another post. We really believed that he would be appointed to an important post so that his role would be brought into full play. We did not know that he was being forced to resign his post and was transferred to a cable factory to do discipline inspection work. What a pity that his professional skills cannot be brought into full play. How can relevant leaders treat a reformist in such a way? In addition to publishing this letter, HUNAN RIBAO also carries an article written by its reporters and correspondents: "How (Wang Ziqi) Was Relieved of His Post." The paper also carries an editor's note concerning the letter.

GUIZHOU PEOPLE'S CONGRESS ENTERS SECOND SESSION

## Preparatory Meeting

HK240207 Guiyang Guizhou Provincial Service in Mandarin 1230 GMT 23 Apr 84

[Excerpts] The second session of the sixth provincial People's Congress held a preparatory meeting today. Wu Shi, chairman of the provincial People's Congress Standing Committee, presided. The meeting unanimously approved the agenda of the session.

The presidium of the session held its first meeting this afternoon. At the proposal of Wang Zhenjiang, secretary general of the session, Comrade Wu Shi presided at the meeting. The meeting elected the executive chairmen of the presidium. They are Wu Shi, Xu Jiansheng, Miao Chunting, Wu Su, Luo Dengyi, Zeng Xianhui, Ye Gulin, Bai Lin, Hou Guoxiang, Ren Ying, Wu Tongming, Ran Yannong, Wang Bingyun, Wang Zhenjiang, Qian Yunzhong, and Liang Wanggui.

## Session Opens

HK250323 Guiyang Guizhou Provincial Service in Mandarin 1230 GMT 24 Apr 84

[Excerpts] The second session of the sixth provincial People's Congress solemnly opened in the provincial People's Government Hall on the morning of 24 April, attended by 621 deputies from all fronts and of various nationalities. They included Chi Biqing, Su Gang, and Miao Chunting.

Governor Wang Chaowen delivered a government work report. After summing up the achievements of the past year in agriculture, industry, finance, urban and rural commodity purchase and sales, science, education, culture, public health, and so on, Governor Wang Chaowen said: To develop and create a new situation is the main task facing economic and other government work this year. He pointed out: This year we must strive to fulfill the main targets of the Sixth 5-Year Plan ahead of schedule, and also explore practical ways of exploiting the province's abundant resources, so as to help attain our objective of extricating ourselves from our mediocre position, after a relatively long period of hard work.

He stressed in his report: We must continue to implement the eight-character principle on readjusting the national economy, harmonize the relationships, lay a good foundation, and shift all economic work onto the track of centering efforts on improving economic results. We should achieve coordinated development of industry and agriculture, and synchronous development and all-round increase of industrial output value, taxes and profits, and local financial revenue, so as to bring about a further turn for the better in the financial and economic conditions.

Wang Chaowen pointed out: The specific goals this year are: [Begin recording] Total industrial and agricultural output value is planned to be 12.35 billion yuan, an increase of 8.1 percent over 1983. Total agricultural output value should be 5.6 billion yuan, an increase of 7.7 percent. Total industrial output value should be 6.75 billion yuan, a rise of 8.5 percent. This includes total light industrial output value of 2.5 billion yuan, an increase of 8 percent, and total heavy industrial output of 5.25 billion yuan, a rise of 8.8 percent [figures as heard]. Local financial revenue should be 950 million yuan. Total grain output should be 14.5 billion jin. Natural population growth rate should be kept below 9 per 1,000. [end recording]

In his report, Wang Chaowen said: In order to achieve these goals and demands, we must solve the following problems in guiding ideology and specific work in economic construction in 1984:

1. Continue to eliminate leftist influence and clear away obstacles to reform.
2. Vigorously step up the development of agriculture, focusing on commodity production.
3. Continue to restructure production and promote trades and sectors involving the province's superior features and also those producing items in short supply.
4. Get a good grasp of reforming the economic setup and reorganizing enterprises and forming joint undertakings. Bring into play the role of key cities and trades.
5. Get a good grasp of all-round consolidation of enterprises and of reducing deficits and increasing surpluses. Improve enterprise quality and enhance economic results.
6. Organize rational distribution and use of finances and improve the results of utilization of capital.
7. Expand external economic and technical cooperation and actively import technology, capital, and talent.
8. Attach importance to intellectuals and strive to develop science and education.
9. Speed up economic construction and exploitation of brain power in minority-nationality areas.
10. Continue to improve living standards and control population growth.

Wang Chaowen said in his report: The province achieved new successes in economic construction in 1983. First, agriculture, the foundation of the national economy, was continually consolidated and strengthened, and started to develop toward modernization and commodity production. The province reaped a bumper grain harvest, with total output 14.6 billion jin, an increase of 7.5 percent over 1982. Total agricultural output value was 5,197 million yuan, an increase of 5.2 percent. Both these figures were records. The number of specialized households and households doing specialized jobs now accounts for 10 percent of total rural households. There are over 100,000 small specialized economic combines.

Industrial production showed an all-round increase. Total output value last year was 6,223 million yuan, an increase of 18.6 percent over 1982, when a rise of 19.8 percent was recorded compared with 1981. The province started to extricate itself from financial difficulties. Local financial revenue last year rose by 26.6 percent over 1982. Expenditures increased by 9.9 percent.

The province overfulfilled ahead of schedule the tasks assigned by the state of subscribing to state bonds and raising capital for key construction work in energy and communications.

Governor Wang Chaowen said: The province controlled the scale of investment in fixed assets. The rate of completed projects going into operation increased. Last year the province used more investment in renovation and improvement projects than in any recent year. Progress on the three key state construction projects in the province is as follows: The final-stage expansion of the oxydizing furnace of Guizhou aluminum plant has been partially completed and put into operation; construction is fully underway on the electrification of the Guiyang-Liujia section of the Guiyang-Kunming Railroad; and the construction preparations for the Tianshenqiao Dam hydroelectric station have been basically completed.



Governor Wang Chaowen said: Following the development of economic construction, the markets in the province's urban and rural areas are flourishing and business is brisk. Total retail commodity sales in 1983 showed an increase of 10.8 percent over 1982. The plans for procurement of products for foreign trade and for direct export were also overfulfilled. The living standards of people in urban and rural areas continued to improve. Net per-capita income of the peasants increased slightly over 1982. Total wages of workers in enterprises owned by the whole people increased by 4.3 percent.

Last year the province arranged jobs for nearly 100,000 people. Outstanding successes were achieved in planned parenthood work. The natural population growth rate declined by 4.7 per 1,000 compared with 1982, and was 2.9 per 1,000 less than the control target. The province also scored good achievements in science, education, culture, public health, and so on.

#### GUIZHOU'S CHI BIQING AT DISCIPLINE INSPECTION MEETING

HK240205 Guiyang Guizhou Provincial Service in Mandarin 1230 GMT 23 Apr 84

[Excerpts] The provincial discipline inspection work conference held a report meeting this morning, attended by over 1,600 cadres of the provincial organs. After (Tan Su), party committee secretary of (Hongling) Machinery Plant, had introduced the experiences of the plant in correcting party style, provincial CPC Committee Secretary Su Gang delivered a report. (Wang Rubin), a responsible person of a Central Discipline Inspection Commission work group, and Chi Biqing, first secretary of the provincial CPC Committee, attended and spoke. Hu Ronggui and (Huang Luming), responsible persons of the Guizhou liaison group of the Central Commission for Guiding Party Rectification attended the meeting.

Comrade Su Gang said in his report: Party rectification has now been underway for more than 3 months in the provincial organs. We have unified thinking and solved a number of problems. Then provincial CPC committees decided to switch to rectifying party style and discipline during the first 20 days of May. We hope all units will take the (Hongling) Machinery Plant as their example and bring about a fundamental turn for the better in party style through carrying out party rectification. In order to rectify the party style and discipline in the provincial organs, we must seriously grasp the following tasks:

1. Continue to study party rectification documents in depth.
2. Grasp those incidents and cases in seriously damaging party style and discipline which arouse strong complaint among the masses and are of universal educational significance, investigate them to the end, and handle them properly.
3. Bring democracy into full play and correctly unfold criticism and self-criticism.
4. Stick to the principle of conducting simultaneous rectification and correction of defects, and translate into action the results of rectifying party style and strengthening discipline.
5. Uphold the principle of seeking truth from facts and act according to party policies.

Comrade Su Gang stressed in conclusion: Through party rectification, the party members should further establish the idea of wholeheartedly serving the people, tangibly correct malpractices, overcome bureaucratism, and deal seriously with elements who flout law and discipline. This is the basic demand in rectifying work style and strengthening discipline.

We must get a thoroughly good grasp of weeding out the people of three categories. Comrade Chi Biqing stressed again at the meeting: Leading cadres must set an example in correcting party style.

NPC'S WANG RENZHONG AT SICHUAN COMMITTEE MEETING

HK240316 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 20 Apr 84

[Text] The sixth meeting of the sixth provincial People's Congress Standing Committee ended yesterday. The meeting decided that that second session of the sixth provincial People's Congress would be held in late June this year. During the meeting, NPC Vice Chairman Wang Renzhong, who was then in Chengdu, met all the participating comrades and delivered a speech.

Liu Ziyi, vice chairman of the Standing Committee of the provincial People's Congress, presided over yesterday afternoon's plenary session. At yesterday's plenary session, a secret ballot was conducted to elect (Yang Daijun) a female of Yi nationality, as the province's delegate to attend the Sixth NPC. The meeting adopted a resolution on the time and agenda of the Second Plenary Session of the Sixth Sichuan Provincial People's Congress and a decision on organizing provincial people's delegates to conduct inspections. The meeting discussed the problem concerning the election of the president of the People's Court and the chief procurator of the People's Procuratorate at a lower level by the First Plenary Session of the First Luzhou City People's Congress in violation of legal procedures and decided to correct the mistake. The meeting also adopted matters concerning appointments and removals.

XIZANG OPENS SHANNAN TO FOREIGN TOURISTS

OW241221 Beijing XINHUA in English 1206 GMT 24 Apr 84

[Text] Lhasa, April 24 (XINHUA) -- Shannan Prefecture in the Tibet Autonomous Region, believed to be the place of origin of the Tibetans, has opened to foreign tourists. The first group of 12 travelers from Britain, the United States, Canada and Australia visited the prefecture this month.

Located between the Himalayas and the Yarlung Zangbo River, Shannan, 3,700 meters above sea level, is known as the region's granary. Legend has it that a mountain cave behind the town of Zetang -- the prefecture's political, economic, cultural and communications center, was the dwelling place of the king of monkeys -- ancestors of Tibetans. The Qiongyai County to the southwest of Zetang, was noted for the tombs of the chief of the Tibetans' ancestors. The prefecture located in the south of Lhasa also has Tibet's earliest palace and monastery. The Yumbulagang Palace, said to be the first house in Tibet, dates back more than 2,000 years. There are lakes, snow-clad mountains and hot springs, and tourists can cruise the Yarlung Zangbo River.

Tibet plans to expand tourism. Five hotels are being or will be built. The road from the airport to Lhasa City is being improved.

KUNMING PLA HANDLES 'IRREGULAR' PERSONNEL TRANSFERS

HK250142 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 20 Apr 84

[Text] During party rectification and the study of documents, the CPC Committee of the Kunming PLA units has persisted in simultaneous study and correction of defects and has dealt with all cases regarding the irregular transfer and allocation of 21 cadres, fighters, and workers.

In the discussion of the transfer of the 21 people, some comrades believed that the great majority of these cases involved leading cadres and went through legal channels. It was relatively difficult to deal with them. Confronting the difficult problems, the CPC Committee of the PLA units resolved to conduct investigations to the end, no matter who they involved. It was resolved to investigate whether or not they were unhealthy trends and to compare them with the requirements in the documents on party rectification, the party Constitution, and the guiding principles.

Although regular procedures were followed in the transfer and allocation of the 21 people, some of them were transferred to overstaffed units and some of the transfers were privately approved by leaders. This showed that legal procedures were ignored. Only by breaking through the protection of a coat of legality can we correct the unhealthy trends.

The out-patient department of the organs of the PLA units was an overstaffed unit and was a key point for the reduction and readjustment of staff. However, in August 1982 leaders allocated six comrades to this unit. Although these six comrades were graduates of military medical schools, this allocation did not conform to the principle of reduction and readjustment of staff. It was correct for the masses to put forth their views. Therefore, the CPC Committee decided to reallocate these six comrades. Now, these six comrades have reported for duty at new units.

A department transferred a comrade to a grassroots unit and promoted him. However, he did not go to the grassroots unit and remained in the organ to work. Not long afterward, an order was issued to transfer him to a new organ. As far as the procedures of appointment and removal of cadres are concerned, the procedure was legal. However, the masses held that this was done for the sake of promotion. In the course of party rectification, the CPC Committee made a decision to countermand the order which transferred him to the organ. The CPC Committee decided to order him to report for duty at the grassroots unit.

ZHOU HUI SPEAKS AT NEI MONGGOL WORK CONFERENCE

SK250427 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 24 Apr 84

[Text] At the regional rural and pastoral work conference, Zhou Hui, first secretary of the regional CPC Committee, stressed that leading cadres at all levels should study new situations, solve new problems, have the courage to reform and explore, and actively contribute their efforts to the building of characteristically Chinese socialism. Comrade Zhou Hui first spoke on the extreme importance of the investigations and research of the reality of life. He said: What a person or an organization should be really afraid of is that he or it has no ties with heaven and earth. In other words, they do not maintain ideological and political unity with the CPC Central Committee, nor forge close ties with the masses and become what we call "a gentleman on the beam." Leading cadres of our leading organs, including myself, should try to find time to go to the grassroots levels to breathe fresh air, derive nourishment from the earth of practice, sum up the masses' inventions and creations, and learn from their new experience.

Comrade Zhou Hui continued to say that professional work departments of regional organs should have a correct attitude toward the criticism and opinions from lower levels, conduct rectification, and correct their mistakes simultaneously in the course of party rectification and try to catch up so as to facilitate reform.

Comrade Zhou Hui said: The present ideological situation of our regional organs and departments is far behind the demands of the policy of opening to the outside world and enlivening domestic economy and of the guiding ideology for building characteristically Chinese socialism. Deep in our minds many things are age-old, not compatible with the line, principles, and policies adopted since the third plenary session and lagging still farther behind the new things created by the masses in the course of practice which have already been or will be proven to be correct. They are outmoded.

Comrade Zhou Hui said: A recent RENMIN RIBAO commentator's article "Eliminating the Pernicious 'Leftist' Influence and Correcting the Situation of Flabbiness and Slackness" dwelt on the continuous elimination of the pernicious leftist influence, bureaucracy, and flabbiness and slackness. The leftist ideology has exerted influence off and on for more than 20 years. Under such a historical condition, many comrades regard wrong as right and are not good at studying and thinking. In addition, as many things were repeatedly turned upside down for many years, some comrades have become passive, trying not to make contributions to avoid mistakes. Through summing up experience, we should now enhance our understanding and consciousness to realize what is correct.

Dwelling on how to handle the relationship between rules, regulations and reform, Comrade Zhou Hui said: Things in this world develop rapidly and change greatly. We will certainly lag behind if we remain complacent and conservative. We should do away with the old and set up the new and accept past things in a critical manner. All orders, rules, and regulations are man-made. I hope that you comrades will study and examine past rules and regulations, uphold those which are conducive to three fields of work and persistently reform those not planned and systematic. Comrade Zhou Hui pointed out: New situations and new problems keep cropping up in the course of the struggle for building characteristically Chinese socialism. Whether a thing is conducive to the three fields of work should be taken as a standard when we reform and explore things boldly. Comrade Zhou Hui said: What we are taking is the socialist road with the goal to build characteristically Chinese socialism. All the revolutionaries and communists of China should not be vague about this, but should fight and sacrifice for this.

Comrade Zhou Hui emphasized: We are still exploring our road of advance. It does not matter if one knows whether a thing is right or wrong for the time being.



We can try it out. We must not launch an attack whenever we see others experimenting. Many new problems and new topics needs to be explored and discussed in our efforts to build characteristically Chinese socialism. We should lead the people forward. A host of facts have already proven and will continue to prove that our line, principles, and policies, for which our party cadres and Communist Party members should fight and sacrifice, are correct. They should unite with and lead the masses to follow the party's line and to boldly explore the road of advance in line with party policies.

When speaking on a report of the Civil Administrative Department on supporting the poor, Comrade Zhou Hui said: Eleven leagues and cities have selected some households to try out support-the-poor methods and have supported some 12,300 poverty-stricken households. Poverty was eliminated in 20-30 percent of them in the same year they were given support. This is a great achievement. We should summarize, publicize, and popularize this experience. Comrade Zhou Hui said: Our road leads to common prosperity. We encourage some people to become rich first. These should be some people taking the lead and others following closely. On the one hand, we encourage some people to be rich, and on the other, we pay attention to supporting the poor. With regard to this work, we should eradicate the outmoded leftist ideas which advocate common poverty, ignore reality, violate economic and natural laws, and encourage egalitarianism and uniformity. The road we are taking today not only maintains the general socialist orientation but arouses the enthusiasm of millions of the working people. It allows various sectors of the economy to coexist, compete, develop and advance on the broad socialist road. It is compatible with our country's situation to open to the outside world and to enliven the various sectors of the domestic economy with the public-owned sector as the main one. It is a Marxist road, a broad socialist road.

Comrade Zhou Hui concluded his speech with the issue of building new leading bodies. He encouraged young comrades to study diligently and continue to increase their ability in the course of practice. He said: Some of our young cadres are full of vigor, political consciousness, and boldness of vision. They have emancipated minds, the spirit of reform, and the courage to pioneer. In them lies our hope for achieving our cause. Most of the new comrades at and above the county or the banner level are vigorous. Generally speaking, the readjustment of leading bodies has been successful. It is a pleasant surprise to see that the people of the younger generation are undertaking the glorious task of building characteristically Chinese socialism. They will, hopefully, study diligently and strive to increase their ability in the course of the great practice and, in particular, strictly temper their ideology and work style, arm themselves vigorously, and shoulder the great task entrusted by the history.

#### Conference Ends

SK250356 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 24 Apr 84

[Excerpts] After a 7-day session, the regional rural and pastoral work conference concluded on 22 April. The conference urged cadres at all levels to further emancipate their minds, to relax policy restrictions, to conduct reforms well, to develop commodity production vigorously closely centering around the guidelines of the CPC Central Committee's Document No 1, and to develop our region's rural and pastoral commodity economy more in 1984.

During the conference, Zhou Hui, first secretary of the regional CPC Committee, made an important speech on emancipating minds and bravely conducting reforms. The speech greatly inspired the participants to emancipate their minds further and to eliminate the influence of leftist ideology. Comrade Bai Junqing, vice chairman of the regional People's Government, made a summarizing speech.

The conference centered on deeply implementing the CPC Central Committee's Document No 1 of 1984 among rural and pastoral areas. Centering around Document No 1, the conference discussed ways to develop commodity production, to further emancipate minds to relax the policy restrictions, and to conduct reforms well. The conference held: At present we are confronted with a historical change. Leaders at all levels should try every means possible to suit the change of the historical situation to commodity production both ideologically and practically. At present, the main hindrances to developing commodity production are leftist influence and old traditional ideas that bind some people's ideas. These people impose excessively strict restrictions on everything, carry out a lenient management system, and undertake excess work.

With regard to eliminating the influence of leftist ideology and bravely conducting reforms, the conference held:

First, leading comrades at all levels should stand in the forefront of reform and promote the conducting of reforms. Whether or not leading comrades conduct reforms or stick to old ways and whether or not they go forward or remain at a standstill are important signs for testing whether or not they act in political unison with the central authority. We should dare to think, act, and conduct reforms. We should support and assist but not restrict those localities and comrades that dare to create new ways. We should aim at macroeconomy, attend to what we should attend to, relax the policy restrictions that we should relax, and change fear into courage.

Second, we should ceaselessly eliminate the weakness and laxity. Unless we eliminate the pernicious influence of leftist ideology and the leftist tendencies, we will be in a serious state of weakness and laxity.

Third, leading comrades at all levels should go deep into grassroots units and conduct practical investigations and studies on existing rules and regulations. We should make decisions to reform in a planned and gradual way, and to ban the rules and regulations that do not suit the needs of the current developing situation. We should not hesitate to conduct reforms bravely.

ZHAO XIU REPORTS TO JILIN CONGRESS SESSION

## Economic Development

SK241208 Changchun Jilin Provincial Service in Mandarin 1030 GMT 21 Apr 84

[Text] In his government work report, Governor Zhao Xiu put forward the 1984 tasks for urban and rural collective and individual development. Comrade Zhao Xiu said: Since the third plenary session our province has made progress in urban and rural collective economy. However, as compared with the average level of the whole country and advanced provinces and municipalities, we still have a long way to go. We should emancipate our minds, relax policy restraints, and vigorously develop various forms of collective economy. We should attend to vigorously developing urban and rural collective economy as a strategic measure for quadrupling the industrial and agricultural output by the end of this century and for building Chinese-type socialism.

Governor Zhao Xiu pointed out: Relying on local natural resources to make the most of our superiorities is a correct way to accelerate the development of urban and rural collective economy. He said: Our province is rich in natural resources and has a certain force for developing collective economy. Our province has large and medium-sized automobile, chemical industrial, metallurgical, forest industrial, and papermaking enterprises, a sufficient labor force, and a fairly strong scientific and technological force. We should make full use of these favorable conditions; tap potentials; make the most of our superiorities; vigorously develop the industries centering on processing agricultural, livestock and forest products, mineral resources and timber; and vigorously develop industries centering on manufacturing subsidiary equipment for large factories serving the construction of small towns and serving the work of rural specialized households before, during, and after production, and the communications and transportation industry, and the commercial service industry.

Zhao Xiu said: In developing urban and rural collective and individual economy, we should emancipate our mind and relax policy restraints. At present, we should concentrate on solving several policy problems:

1. We should respect the decisionmaking power of enterprises. In developing collective economy, we must abide by the principle of being voluntarily organized, letting each enterprise manage its own affairs and bear responsibility for its own profits and losses, carrying out democratic management, distributing according to work, collecting funds from staff and workers, properly sharing bonuses, the collective accumulating funds, and every individual having the right to control the enterprise. Responsible departments at all levels should transfer power to the enterprises to give the enterprises the right to appoint, dismiss, reward, and punish cadres; to control funds; and to manage and use material resources and property.
2. We should carry out the socialist principle of distribution according to work. As rural areas carry out the system of contracted responsibility with payment linked to output, the enterprises can manage after-tax profits and distribute profits to staff and workers according to their work. There is no limitation on how large or small the distribution can be.
3. We should take various measures to strengthen the training of talented persons and to promote the technical progress of collectively owned enterprises.
4. We should conscientiously implement the policy on localities processing agricultural and sideline products on the spot. From now on, we should not enlarge the capacity to process agricultural and sideline products that rural areas can process.

5. All department should adopt the policy of enthusiastic assistance. Departments should vigorously support the development of urban and rural collective economy by means of distributing material resources, supplying raw materials, providing financial resources, giving bank loans, implementing price policy, and carrying out industrial and commercial administrative management. With regard to managing urban collective economy, we should carry out the system of the collective managing the policy, relevant departments managing the production of the enterprise, and not changing enterprises' administrative relations. Urban collectively-owned enterprises should obey their relevant departments, while the relevant departments do not bear the responsibility for the profits and losses of the enterprises, nor manage them in a mechanical way, so that the enterprises will be developed actively and rapidly.

#### Government Work Reform

SK250359 Changchun Jilin Provincial Service in Mandarin 1030 GMT 24 Apr 84

[Text] In his government work report made at the session of the Jilin Provincial People's Congress, Governor Zhao Xiu stressed that efforts should be made to strengthen and improve government work. To ensure the fulfillment of various tasks in 1984 and to create a new situation in all fields in the province's program of building socialist modernization, it is imperative to implement the spirit of party and work style rectification drives under the guidelines set forth by the 12th CPC Congress, to uphold the principle of conducting transformation in the course of party rectification, and to exert efforts to improve and strengthen government work.

He stated: We should continuously do a good job in conducting transformation among organizational structures this year. As of now, the province has basically completed the first stage work of conducting transformation among organizational structures at provincial, prefectural, county, and township levels. The leading bodies of governments at all levels have been reinforced through readjustment. However, the second stage work in this regard remains arduous. We should strictly prohibit establishing additional organs, increasing the staff, and escalating the level of organs. It is necessary to vigorously deal with leftover problems cropping up in conducting transformation among organizational structures and to do well from start to finish in fulfilling the tasks of organizational reform.

Governor Zhao Xiu stated: Enforcing the system of personal responsibility is the important task of the second stage work of conducting transformation among organizational structures and also is the important guarantee of accelerating the pace in enabling the cadres' contingent to meet the "four requirements," to improve its work style, and to upgrade its work efficiency. Government organs at all levels should establish the system of personal responsibility in the first half of 1984 so as to further define the duty and tasks of the government's departments and to bring into full play the functional role of these departments. All work that are covered by departments' limits of authority should be carried out in a timely manner by earnestly being responsible for one's work. By no means should they shirk their responsibility, shift the blame to others, and argue over trifles. In enforcing the system of personal responsibility, it is necessary to integrate the system with the activity of work appraisal and of reward or punishment. Efforts should be made to establish or improve the system of appraising cadres' work and to strictly enforce the system of rewarding or punishing cadres. On the basis of appraised results, it is necessary to reward those who have done good work, to punish those who have committed serious mistakes, and to conduct promotion and demotion as well.

He stated: It is necessary to overcome flabbiness and lack of unity and to strictly straighten out administrative disciplines.



All personnel who have neglected duty by not being responsible for their work and by bringing about serious damage to the people, and who have violated law and discipline, must be strictly dealt with. It is necessary to improve working methods so as to upgrade work efficiency. The leading cadres of governments at all levels should block and eliminate bureaucratic work style and should delve into reality to carry out investigation and study and to conduct official work on the spot to deal with problems. Efforts should be made to oppose those who tell lies, indulge in bragging, and say stereotyped words, and to encourage those who do things practically and attach importance to achieving practical work results.

We should further straighten out our ideology and should stress the principle of seeking truth from facts and all work proceeding from reality. By firmly bearing in mind our actual situation, we should implement the line, principles, and policies set forth by the CPC Central Committee in a creative way so as to upgrade our work to a new level. Efforts should be made to vigorously cut the number of meetings and to simplify official documents so as to enable leading personnel at all levels to truly free themselves from the excess workload of official documents and meeting attendance and to concentrate their efforts on studying a new situation and dealing with new problems. The working personnel of governments at all levels should uphold the mass line, set up close ties with the people, show concern for the people's livelihood and sufferings, actively accept the people's supervision, observe the law and disciplines, be honest in performing their official duties, and should wholeheartedly serve the people.

#### GUO FENG AT LIAONING PARTY RECTIFICATION MEETING

SK250535 Shenyang LIAONING RIBAO in Chinese 8 Apr 84 p 1

[Excerpt] The provincial CPC Committee held a meeting of party-member leading cadres of party rectification units directly under the jurisdiction of the province on 29 March. The meeting was presided over by Sun Weiben, secretary of the provincial CPC Committee. Chen Suzhi, Standing Committee member of the provincial CPC Committee, relayed to the forum the spirit of the Party Rectification Guidance Commission of the CPC Central Committee, and made specific plans for provincial level leading bodies and the units under the direct jurisdiction of the province to make comparison and examination in the next stage of party rectification.

Guo Feng, first secretary of the provincial CPC Committee, spoke at the meeting. He said: The CPC Central Committee's purpose in holding this forum is aimed at promoting the work of the comparison and examination stage of party rectification. We should conscientiously implement the forum spirit of the Party Rectification Guidance Commission of the CPC Central Committee, attend to the reexamination work in the studying stage in line with ten strict requirements, do a good job in studying what we lack, and make comparison and examination in a planned and step-by-step manner.

Comrade Guo Feng said: Comparison and examination should be conducted from top to bottom; that is, first by the leading bodies of the provincial-level organs, then by the departments, commissions, and bureaus, and then by the general party members. The Standing Committee of the provincial CPC Committee plans to attend to five tasks including how to correctly understand the political and economic situations in Liaoning Province, to find gaps by comparing our own country with foreign countries, and to overcome the idea that "Liaoning is the best"; how to correctly understand and to know the characteristics of Liaoning, to carry forward strong points and overcome shortcomings, and to create a new working situation in Liaoning Province; how to eliminate the leftist and the rightist interferences and to meet the needs of the new situation in the course of building the two civilizations; how to sum up experiences and lessons in implementing the principle of the four requirements of cadres and the policy on intellectuals, and to solve the problem of the weak and lax state of the party leadership; and how to institute the relevant leadership system, to carry out organizational reform, and to overcome the bureaucratic work style.

I. 25 Apr 84

S 4

PRC REGIONAL AFFAIRS  
NORTHEAST REGION

Our Standing Committee members have shared their work and made preparations conscientiously. We should attend to conducting comparison and examination by adopting the method of combining independent thinking with heart-to-heart talks and combining general examination to see whether we have violated principles and policies with specific analysis of typical long-standing and difficult problems.

In the meanwhile, the most important preparatory work is to hold small meetings to listen to people's opinions in addition to studying documents. We should promote democracy and listen to criticism. I hope that all comrades of the departments, commissions, and bureaus and of all the city and prefectural CPC committees will make full preparations, be brave in exposing cases and dare to be criticized at meetings or in individual talks, letters and accusation. We should reflect our opinions to the upper level by different forms and channels and help the provincial CPC Committee carry out comparison and examination without perfunctoriness. After solving problems of a common nature, we should make self-examination and listen to the opinions of the people.

The meeting also formulated plans for the general party members to study what they lack before they enter the comparison and examination stage and for various departments, commissions, and bureaus to continue their rectification and correction work.

GANSU CPC COMMITTEE EXPELS FORMER PARTY OFFICIAL

HK250930 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 23 Apr 84

[Text] The provincial CPC Committee made a decision recently expelling from the party Qiu Yumin, former vice chairman of the provincial Revolutionary Committee and deputy director of the provincial Water Resources and Power Department, who rose to prominence in rebellion during the Cultural Revolution and who persecuted cadres and masses and launched struggle by force.

Qiu Yumin was formerly a member of the administrative section of the Lanzhou Metalware Company. During the Cultural Revolution, he went in for factionalism and assumed the post of group leader of the rebellion organization in Lanzhou. In 1967, he participated in plotting three large-scale struggles which resorted to violence. In these struggles seven people died and several hundred people were injured; the provincial museum and a workers' hospital were damaged; and the production of three state factories was suspended for 20 to 30 days. In early June 1967, Qiu Yumin led tens of men to seal up the provincial counselor's office. They also took over the passbooks, watches, and other properties of the working personnel of the office. On 2 August the same year, some mass organizations under the Hongsanshi rebellion organization occupied the building of the provincial People's Committee and the Lanzhou CPC Committee, pried open the basements of various departments, smashed the treasury of the provincial Grain Department, and seized seven pistols and guns. Qiu Yumin must bear certain responsibilities for all these incidents. In 1968, Qiu Yumin continued to follow the agent of the gang of four in Gansu and fabricated several cases to persecute the masses and cadres. Because he closely followed Lin Biao and the gang of four, Qiu Yumin successively held the posts of member of the preparatory group of the provincial Revolutionary Committee, vice chairman of the provincial Revolutionary Committee, member of the provincial CPC Committee, deputy chief of the headquarters of the provincial power project at Jingtai, member of the party committee of the provincial Water Resources and Power Department, and provincial delegate to the 4th NPC.

In light of the above-mentioned facts, the party group of the provincial Water Conservancy Department has decided, with the approval of the provincial CPC Committee, to expel Qiu Yumin from the party.

GANSU PEOPLE'S CONGRESS 2d SESSION OPENS

HK210417 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 19 Apr 84

[Excerpts] The Second Session of the Sixth Gansu Provincial People's Congress solemnly opened in Lanzhou today, attended by 477 people's deputies. Li Dengying, executive chairman of the presidium, presided at the opening of the session.

Governor Chen Guangyi delivered a government work report in three parts: 1) work in 1983; 2) the tasks for 1984; 3) creating a new situation in government work. He pointed out: This is a key year in fulfilling the Sixth 5-Year Plan, and the first year in bringing about a strategic change in guiding ideology, launching large-scale planting of grass and trees, and putting a stop to ecological damage. It is also the first year in accomplishing the tasks of endeavor for the next 5 years put forward by the sixth provincial party congress. Applying the spirit of party rectification, of reform, and of creating new things, we must truly unify our thinking with the party's line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee, and with the general goal and task put forward by the 12th party congress. We must continue to implement the principle of readjustment, restructuring, consolidating, and improving in the national economy, and the strategic ideas of planting grass and trees and developing animal husbandry stipulated for our province by Comrades Hu Yaobang and Zhao Ziyang.

We must further harmonize our economy, get a good grasp of exploiting brain power, promote technological advance, achieve a steady growth in the national economy, and create a new situation in improving economic results. We must fulfill and overfulfill all the national economic plans.

The other executive chairmen at the session today were Ma Pilie, Wang Shitai, Wang Bingxiang, Wang Yaohua, Li Ziqi, Li Qiyang, Liu Lanting, Liu Haisheng, Xing Anmin, Wu Jian, Wu Zhiguo, Chen Guangyi, Yang Fuxin, He Jianshan, (He Ningxiang), and Huang Luobin. Principal responsible comrades of the Lanzhou PLA units and the provincial CPC Committee, Advisory Committee, and Military District were invited to attend.

In the afternoon (Song Quanjun), director of the provincial Finance Department, delivered a report on the province's final accounts for 1983 and the draft budget for 1984. (Li Ping), chairman of the provincial Planning Committee, gave a report on the execution of the province's national economic plan in 1983 and the draft plan for 1984.

In his government work report, Governor Chen Guangyi said when speaking on the tasks for this year: The general goals of the province's national economic plan for this year are: The growth of industrial and agricultural production should be in step with the whole country; economic results and production should grow in step; and we should strive to fulfill 1 year ahead of schedule the main targets of the Sixth 5-Year Plan, regarding industrial and agricultural output value, national revenue, and financial revenue.

Governor Chen Guangyi put forward a number of main targets for this year. Total social output should grow by 5 percent, including a 4.3 percent rise in agricultural output value and a 5 percent rise in industrial output value. The output of the building industry, transport, and commerce should grow by 5.7 percent. National revenue should grow by 4.5 percent. The total scale of investment in fixed assets should be strictly kept within the plan initially formulated by the state.

Governor Chen Guangyi stressed in his report: We must give free rein to vigorously developing specialized households in implementing the Central Document No 1 and greatly developing commodity production.

Chen Guangyi said: Specialized households are the leaders in putting an end to poverty and getting rich and enlivening the economy in the rural areas. They are representatives of the advanced productive forces there. We should resolutely uphold the proper economic interests of the specialized households and correct erroneous behavior in discriminating against them and creating difficulties for them. We must eliminate all kinds of old conventions, rules, and regulations hampering the development of specialized households. We must allow transfers of land leases. We must allow the hiring of helpers to till the land. We must allow individuals to raise capital to set up enterprises and undertakings of all kinds themselves or with others. We must do a good job in pre- and post-production services in capital material, technology, information, land and so on.



I. 25 Apr 84

T 3

PRC REGIONAL AFFAIRS  
NORTHWEST REGION

Second, we must have a correct attitude toward people who are bold in carrying out reforms. We must boldly employ able people who are determined to create new things and capable of creating a new situation. We must not hurl all kinds of accusations at them, or even make things difficult for them, on account of certain imperfections in reforms.

Third, we must be skilled in discovering typical examples representing the orientation for reform.

Fourth, we must stress the scientific nature of reforms. Reforms must be based in reality and deal with easy things first and difficult ones later.

Governor Chen Guangyi said in his report: The general goal of the province in improving economic results this year is to achieve synchronous growth in production, tax and profit, and financial revenue, and to achieve tangible results in improving product quality, increasing variety, reducing material input, economizing capital, and increasing tax and profit.

Governor Chen Guangyi stressed in particular: We must make great efforts this year to both cut deficits and increase surpluses in improving economic results. Not only must industrial departments work hard at this; the foreign trade, commerce, supply and marketing, grain, agricultural reclamation, and construction departments must do so too. Deficits in state-owned industrial enterprises must be cut by 35 percent compared with last year, while deficits in state-owned commercial enterprises must be cut by 12 percent.

#### QINGHAI LEADERSHIP READJUSTMENTS END

HK250750 Xining Qinghai Provincial Service in Mandarin 1100 GMT 23 Apr 84

[Text] The readjustment of the leading bodies at prefectural and county levels of the province has been completed. Over 140 cadres with a higher education background have entered the new leading bodies at prefectural and county levels. According to statistics, in the 42 leading bodies of party and governmental organs at county level, cadres with a higher education background accounted for only 4.1 per cent in the past, while those with an educational background below junior middle school accounted for 76.7 per cent. After the current readjustment of leading bodies, cadres with a higher education background account for 28.2 per cent, while those with an educational background below junior middle school account for 41.5 per cent.

In the current cadre readjustment, 49 fine minority nationality cadres with a higher education background have entered the leading bodies of organs at prefectural and county levels. A total of 62 graduates of institutes of higher education from various parts of the country who have long worked on the Qinghai plateau have been selected and promoted to the leading bodies at prefectural and county levels. Most of them are talented professional people in agriculture, afforestation, animal husbandry, and water conservancy. Four Han nationality graduates of institutes of higher education from other provinces are appointed as deputy secretaries of the Yushu Zang Prefectural CPC Committee, and vice chairmen of the government of the prefecture.

TAIWAN DEMOCRATIC LEAGUE OFFICIAL ON REAGAN VISIT

OW250713 Beijing XINHUA in English 0630 GMT 25 Apr 84

[Text] Beijing, April 25 (XINHUA) -- An official of the Beijing-based Taiwan Democratic Self-Government League says in an article he hopes that President Reagan, through his China trip, will gain a better understanding of the country's past and present and that Sino-U.S. relations will go forward in a healthy direction. Entitled "Welcome President Reagan," the article by Li Chunqing, vice-chairman of the league, appears in today's PEOPLE'S POLITICAL CONSULTATIVE CONFERENCE PAPER, a weekly put out by the CPPCC National Committee.

The article quotes U.S. Senator Barry Goldwater as saying in Taiwan on April 15 that President Reagan's China trip would not accomplish anything. Li comments that the league "nevertheless hopes the trip will be worthwhile and fruitful."

According to foreign wire services, the article says, certain Americans recently stated they would not abandon "old friends" in order to "make new friends." Li says that he doesn't know what they meant by "friends," adding: "If they referred to the government, then they were talking about 'two Chinas,' not just friends."

The article recalls that the United States recognizes only one China in the Shanghai Communique. In the communique on the establishment of diplomatic relations between the two countries, the U.S. Government recognizes the Government of the People's Republic of China as the sole legal government of China. "Not to abandon the 'old friends' would be an intrinsic violation of the basic principles embodied in the Sino-U.S. joint communiques and the ethics guiding U.S. international behavior.

"We can't ask the United States to abandon its old friends, nor do we want to turn this serious political question into an endless argument about morality," the article says. "It's not always bad to argue in terms of morality, however," the article continues. "The Greek philosopher Socrates held that when a friend wanted to commit murder or suicide, it was justifiable to steal his sword.

"When two friends locked in an internecine feud want to stop fighting, which action by a well-intentioned outsider is the more moral -- resolute measures to help stop fighting or just lip service?" the article asks.

The people on Taiwan are Chinese. There is not a Taiwanese nationality nor a "Taiwanese consciousness" alien to Chinese. In other words, there is no reason or basis for "self-determination" in Taiwan, Li says.

But certain influential U.S. figures have been supporting activities aimed at Taiwan's "self-determination" by borrowing the name of the people there, Li says. The resolution on "Taiwan's future" adopted by the U.S. Senate Foreign Relations Committee last November, the article recalls, says that the solution of the Taiwan question must be acceptable to the people of Taiwan.

I. 25 Apr 84

U 2

CHINA  
PRC MEDIA ON TAIWAN AFFAIRS

"Whether the people of Taiwan accept the solution or not is their own affair," the article says. "In what way does it involve the United States?" In essence the U.S. Congress is trying to use an internal law to intervene in the future of Taiwan which is part of China. "This is a violation of China's sovereignty and puts the U.S. in the position of regarding Taiwan as a U.S. colony with itself as the protector of the people of Taiwan."

This act of the U.S. Congress not only hurts the sense of dignity of the people of Taiwan but also damages the reputation of the United States.

The Japanese created the puppet state of "Manchukuo" in the autumn of 1931, the article recalls. On January 7 the next year, Henry Stimson, then the U.S. secretary of state, issued a declaration that the U.S. would not recognize and legalize such a situation that had been brought about by illegal means. "We hope that U.S. policy makers will not support schemes of an illegally created 'Taiwankuo,'" writes Li Chunqing.

The reunification of the country and reunion with compatriots in Taiwan has been a long-cherished wish of the Chinese people for many generations. "If we let the Taiwan issue stand in the way of better relations between China and the U.S., we will be ridiculed by our descendants for being short-sighted and lacking courage," the article concludes.

COMMENTARY ON REAGAN VISIT, U.S.-MAINLAND TRADE

OW250435 Taipei International Service in English 0100 GMT 24 Apr 84

[Unattributed commentary]

[Text] U.S. President Ronald Reagan, who will leave for Communist China Thursday, said last week that he will leave no stone unturned to boost American exports to the world's most populous nation. Speaking to a group of U.S. business leaders in Tacoma, the President said: I go as something of a salesman, doing everything I can, up to the limit of putting a "buy American" sticker on my back.

The most valuable asset for a salesman is persuasiveness. President Reagan is an eloquent man, but we doubt that this quality will help him much in his self-appointed job to promote American sales to the Chinese Communists. It is not that Red China has no need for American goods and services, or that the U.S. has few things to offer to the Chinese mainland market. On the contrary, Peking would like to get as much as possible from the U.S., but on condition that it is given free, or nearly free. No exporting country would agree to such terms. The trouble is that the conditions for a bombing market do not exist on the Chinese mainland. But 1 billion people there have not shown themselves to be a valuable customer to Western goods and services, and will not become one for a long, long time to come under the communist system. With a per capita income of around 200 U.S. dollars, Red China will limit its purchases from the Free World to sophisticated technology and capital equipment -- things that are essential to its four modernizations. Even then, Peking will insist that transactions must be done on its own terms.

There are certain things the U.S. will have to be careful before sending them to Red China. Sophisticated weapons and computers and advanced military technology are the things the Communists would like to have. So the U.S. will have to weigh the consequences of such sales.

As to industrial know-how and machinery, which Red China also needs badly, the U.S. will be no match for the Japanese on the mainland market. Partly because of the competitiveness of Japanese products, and partly due to geographical proximity, Tokyo has managed to acquire a dominant position on this market. President Reagan must also be aware that Peking always links trade with politics. If he is too eager to push sales of American goods, Peking would certainly demand a political price from the U.S. The Chinese Communist leadership has minced no words that it will not compromise on U.S. arms sales to the Republic of China. Will Reagan make further concessions on the issue in return for increased American exports to the Chinese Communists?

Last but not least, the communist bureaucracy will remain a big obstacle to American investment on the Chinese mainland, and expanded American sales to the market. American businessmen, who expect President Reagan to become a successful salesman during his upcoming trip to Peking, had better be prepared for disappointment. The mainland market is just an illusion, despite the 1 billion people and its 4 million square miles.



COMMENTARY ON HOWE VISIT, HONG KONG'S FUTURE

OW230924 Taipei International Service in English 0100 GMT 22 Apr 84

[Station commentary]

[Text] Geoffrey Howe, who is the British foreign minister, announced that British administration of Hong Kong will end in 1997, when Peking resumes sovereignty over the colony. This agreement was made during his visit in Peking and talks with Teng Hsiao-ping. As far as the people of Hong Kong are concerned, the only acceptable agreement would be for freedom. The British ought to feel the same way, but obviously don't.

Peking has always demanded full sovereignty over the British colony. Considering that, the promise made to Hong Kong residents and the international community are meaningless. When Peking assumes sovereignty in 1997 or before it, it will do what it pleases about Hong Kong. Those who can, will get out of the colony; those who can't will have to stay to be communized. Private property will be expropriated, just as it was on the mainland. People will have to share their property. There will be no more private housing. The mansions and rich apartments on the peak will be divided up. Big businesses will be taken over by the communist authorities. Probably there won't be much business left. Hotel service will descend to the level of Red China. Prices will go up, too. Hong Kong will become another Peking, Shanghai or Canton.

It is impossible that things can be any other way, even if the communists wish them so. There cannot be a free Hong Kong on the periphery of Communist China. That would invite revolution and flight. The productivity that has marked Hong Kong will come to an end. People will stop working, just as they have on the mainland.

Is there any way of preventing this tragedy? It is certain, for one thing, that Britain will not fight for the more than 95 percent of Hong Kong residents that are Chinese. This is not the Falkland Islands. Hong Kong has a population of only 5 million; they cannot stand up to the billion people of the mainland. Natural defenses are nonexistent. The Chinese Communists could enter Hong Kong by land or sea. The only hope is the Republic of China on Taiwan.

By a treaty inherited from the Ching Dynasty, Hong Kong belongs to Free China. The war between the ROC and the Chinese Communists is not yet over. It is a rebellion on the part of the communists and it has not succeeded. The island province of Taiwan has never been subjugated to communism. Along with Hong Kong, it has prospered and become the envy of the people trapped by the communists.

In the 13 years before the communists are supposed to march into Hong Kong, many things could happen. The ROC has not given up. It may be hoped that the people of Hong Kong likewise have not yielded. Above all, the people of the mainland have not quit; they still flee to Hong Kong, even though its freedom is supposedly doomed. They still go on to Free China and many other democracies of the world. Just the other day, a physician sent to the United States from Red China climbed down an elevator shaft to freedom.

The Chinese people want freedom and democracy. Within those 13 years, they have time to make an all-out effort to get it. If 1 billion people or any substantial part of them turn on the communists, Red China cannot survive. They would have the help of the ROC militarily if necessary, and in other, more important ways.

What would be the attitude of the United States if the Chinese on the mainland turned on communists? President Reagan has said what he thinks of communism. If revolt were raised in Hong Kong, would the British help put it down? That seems inconceivable; Britain is a democracy. All the Free World will prosper if Hong Kong is free; it will get nothing if Hong Kong is communist. The countries that were communized went under a long time ago. Times have changed.

If Hong Kong were permitted to be swallowed up by the Chinese Communists, that would be a terrible tragedy. Despite lack of political freedom, Hong Kong has prospered and become one the richest spots in the Far East. The British have not allowed a Chinese parliament, but they have made up for that to a certain extent by permitting free enterprise. But now companies and industries are moving out. They will not stay under communism because it is impossible. This is not only a matter of the restrictions on management, but of the unwillingness of the people to work under the fetters of communism.

The big hope for Hong Kong is the period yet to go and the gradual awakening of the people on the mainland, who look toward Hong Kong and Taiwan and see what they could have if communism were destroyed. Once communism is gone, Hong Kong and Free China can share their (?fate) and good life with the people of the mainland.

PAPERS VIEW REAGAN CHINA VISIT, PRC-U.S. RELATIONS

HSIN WAN PAO Column

HK241226 Hong Kong HSIN WAN PAO in Chinese 24 Apr 84 p 1

["New Talks" column: "Reagan Sets Off for His China Visit"]

[Text] U.S. President Ronald Reagan has set off for his China visit and will arrive in Beijing the day after tomorrow, giving impetus to the continuous development of Sino-U.S. relations.

This is an election year in the United States. Reagan will, of course, take into account the political aspect of his China visit in the election. Furthermore, his official visit to China shows that the value of Sino-U.S. relations exceeds that of domestic party politics in the United States.

It is just as a U.S. analyst has pointed out: Reagan is the fourth successive U.S. President to take action to improve Sino-U.S. relations at a time when the election is imminent. Before Reagan's visit to China, two former Republican presidents, Richard Nixon and Gerald Ford, had been in China and had opened up a new chapter in Sino-U.S. relations, while former Democratic President Jimmy Carter had accomplished the normalization of relations between the two countries on the eve of the last election. Now, Sino-U.S. relations will, during Reagan's term of office, grow up through the sentimental ups and downs in the growing period and will become more mature.

Since the U.S. economy has obviously recovered from the recession, U.S. political analysts believe that the focus of the election debate this year will eventually be switched from domestic affairs to foreign affairs. Recently, the Democratic Party has concentrated its effort on criticizing Reagan's diplomatic achievements. On the other hand, Reagan has announced that he accepts the challenge and that he is willing to regard foreign affairs as the subject of the election contest. Whether or not Reagan has done a good job in terms of foreign affairs since he assumed office is actually a controversial issue. For example, he has made no improvement in the diplomatic relations with the Middle East and Latin American countries. Recently, he has faced difficulties on the issue of the laying of mines in a Nicaraguan harbor after suffering from setbacks in deploying the U.S. peacekeeping force in Lebanon. The only thing on which he has made obvious achievement is Sino-U.S. relations, which have now overcome the crisis of serious deterioration and which have been switched back onto the track of normal development. This can be proved from the visits of the two state leaders to each other's countries, and this is sufficient for President Reagan to be proud of.

Before assuming office, Reagan was a supporter of the KMT authorities in Taiwan. After that, his actual actions have fully shown that the presidency can really play an educational role for a person. By the time Reagan steps on China's soil, his education stage will come to an end. With his clear-cut view and following his visit to Beijing, Reagan may drop the topic of the China policy from his list of controversial issues in the debate during the election. At the same time, he will also get China to realize that the future development of Sino-U.S. relations will no longer be influenced by changes in the U.S. Government.

Sino-U.S. relations are based on the bilaterally reached three communiques. Only when these communiques are earnestly implemented can the relations between the two countries be developed steadily over a long period of time. U.S. Secretary of State George Shultz, who will accompany Reagan to China, declared last week in a televised interview by Asian-Pacific reporters that the U.S. Government will stand by these communiques. Under this prerequisite, Reagan may have a useful discussion with China on the Taiwan issue during his visit. Sino-U.S. relations are focused on long-term development.

The elimination of obstacles and the strengthening of friendship and cooperation between the two countries will be of great significance to the Asian-Pacific region and the world situation.

WEN WEI PO Editorial

HK250320 Hong Kong WEN WEI PO in Chinese 25 Apr 84 p 2

[Editorial: "U.S. Strategic Focus Shifts From West to East -- Discussing Reagan's Visit to China"]

[Text] Reagan will arrive at Beijing for a visit tomorrow. He declared that this visit to China would be "a prudent, but sure step forward" in the history of Sino-U.S. relations.

It seems that this journey of Reagan's to the East is not only simply aimed at winning election ballots and making a show of his stand. There are more profound economic reasons and strategic background for Reagan's visit to China. His coming visit is aimed at pursuing long-term interests for the United States and establishing a new framework for the strategy of the United States.

The mid-1980's will be a period in which there will be a major shifting of U.S. strategy. This means that the U.S. strategic focus will shift from Western Europe to the Asia and Pacific region, which will become an area of key impact on the future of the United States.

There are inevitable historical causes for this shift as well as the cause originating from Reagan and his behind-the-scene backers -- the Western financial groups.

After World War II, the key area of U.S. investment was Western Europe and by 1978 its investment there totaled \$70 billion. Therefore, the United States concentrated its military forces in Western Europe and the scramble between the United States and the Soviet Union was particularly fierce in Europe.

However, from the late 1970's, the growth of U.S. investment in Western Europe slowed down. This is because the investment and commodity markets there have been saturated. An even more important reason for this is that excessive welfare policies have made the economic vitality in Western Europe decrease day by day and pushed up the inflation rate to a very high level. Since the beginning of the 1980's, Western Europe's annual economic growth rate has been as low as 2-4 percent. Not only can U.S. financial groups not make money by investing in Europe, but the financial groups in Western Europe have been in difficulties in finding a way out and rushed to the West to invest in the United States and Canada. In 1981 alone, Western Europe's investment in the United States shot up to \$20 billion. At the same time, a situation of vigorous and strong economic growth has emerged in the Asia and Pacific region. There has been marked economic growth in Japan, China, South Korea, Hong Kong and Singapore and the growth rate of the entire Asian region has been 5-9 percent.

At the end of the 1970's and the beginning of the 1980's, U.S. capitalists vied with one another in shifting their investment from Western Europe to Asia, and U.S. financial groups began to make much money in Asia and the profit ratio they achieved in Asia was much higher than they had achieved in Western Europe. U.S. capital has been doing business mainly in cooperation with Japanese capital and it utilizes Japan as a springboard for opening up the market in Asia. U.S. computer enterprises, aircraft manufacturing industry, petroleum enterprises, and the automobile industry have all formed joint ventures with Japanese capital in exporting their goods to Asia.



I. 25 Apr 84

W 3

CHINA  
HONG KONG MEDIA ON CHINA

U.S. investment in other areas in Asia was 40 percent greater in 1982 than in 1980. By 1983, for the first time, the volume of U.S. trade with the Asian area became greater than that of its trade with Europe. What is even more important is the fact that China is a vast market entirely to be opened up, a market with unlimited potential.

The U.S. economy is in a process of recovery, but the United States must find an outlet for its goods in the market. Otherwise, the policy of high interest rates and its aftermath will inevitably bring about a new economic and monetary crisis. It is estimated that the U.S. trade deficit will reach \$100 billion this year. It is precisely for this reason that Reagan, like his forefathers who opened up the western part of the United States, is looking for new hope in the area to the west of the United States -- the Asia and Pacific region.

The Western financial groups that Reagan represents have invested a huge amount of money in the Pacific basin and in Asia. Naturally, they urgently want to establish an adequate strategic umbrella in this area.

The Soviet strategic forces are still focused on Western Europe and Soviet development in the Asia and Pacific region is restricted by the excessively great length of the supply line. In strengthening its strategic forces in the Asia and Pacific Region, the United States is choosing an easier task and countering the Soviet Union's relative disadvantages with its relative advantages. This can be said to be a strategy of choosing an area to focus on where one has the initiative.

U.S. strategy is to hold fast to its ally Japan, and moreover to develop a friendly and cooperative relation of nonalliance with China, and thus to establish three pillars of China, the United States, and Japan to safeguard peace in the Asia and Pacific region.

The shift of the strategic focus westward is an opportunity for the United States, but is also a challenge for it. If the United States fails to establish friendly relations with China, its strategic capacity in the Far East will be limited.

This requires Reagan to act like Nixon and, with the courage of a strategist, to make a historic choice -- removing the hang-up in the relations between China and the United States by solving the Taiwan issue. This visit of Reagan's to China is an opportunity for him to open up a new historic stage. Future events may prove that he is a statesman with foresight and resolve or may prove that he is a weak and indecisive politician.

TA KUNG PAO Column

HK250434 Hong Kong TA KUNG Pao in Chinese 25 Apr 84 p 2

["Political Talk" column by Shih Chun-Yu: "Reagan Says Sino-U.S. Relations Have 'Matured'"]

[Text] Reagan Is Due To Arrive in Beijing Tomorrow

U.S. President Ronald Reagan is getting nearer and nearer to China on his trip. He arrived in Hawaii yesterday and will stay in Guam for 2 days. Then, he will fly to Beijing and arrive there at 1405 on 26 April. In spite of the long distance in between and enduring the hardship of a long journey, President Reagan, aged 73, and his wife are going to pay a return visit to China. They are indeed "guests from afar." The 1 billion Chinese people, who have a tradition of being hospitable, will be delighted to give a warm and courteous welcome.

## Two Ex-Presidents Have Their Attainments

President Reagan is the third U.S. president to officially visit China. The first was President Nixon, a Republican, who visited China in February 1972. He played the vanguard role in unfreezing Sino-U.S. relations, and his contribution cannot be left unrecognized. The second was President Ford, also a Republican, who visited China in December 1975, pledging his adherence to the Shanghai communique. Then, Democrat Carter rose to power in 1977. He declared that Sino-U.S. relations were a "major factor" in U.S. global policy and stressed that he would normalize relations between the two countries according to the principle of "one China" stated in the Shanghai communique. With the joint efforts of the two nations, the United States agreed to the three principles of "severing diplomatic relations, withdrawing troops, and abrogating treaties" with the KMT authorities in Taiwan. China and the United States issued a joint communique on 16 December 1978 and declared the establishment of diplomatic relations on 1 January 1979.

During his tenure of office, Carter completed the formal procedure of establishing diplomatic relations, but unfortunately he could not visit China in the capacity of president. Afterwards, he lost in the presidential election. In spite of this, the Chinese Government still invited him to China and treated him as an honored guest.

## Will New Achievements Be Made?

Reagan's tour of China falls in the U.S. presidential election year. It is generally considered that he is very likely to renew his term of office unless something unexpected happens. Whether his China visit will bring about something new in Sino-U.S. relations draws popular attention.

Upon the arrival of Reagan and his party in Hawaii yesterday, a high-ranking White House official accompanying Reagan indicated: The President's China visit, which is due to start on 26 April, will lead Sino-U.S. relations based on the interests of mutual security into a "new era." He also said: Sino-U.S. relations have entered a "mature stage."

Beijing is eagerly awaiting the arrival of President Reagan. Since China and the United States established diplomatic relations 5 years ago, trade, scientific, technological, and cultural cooperation, and people-to-people exchanges have indeed increased considerably. Reagan said that he would like to be a "trade envoy" to enter the huge market of a 1 billion population. On the eve of his arrival in Beijing, China and the United States signed a \$600 million investment agreement to exploit the Pingsuo opencut coal mine in Shanxi, which has become the focus of world attention. Meanwhile, it is said that the two countries are also likely to sign an agreement on atomic energy cooperation.

## As Long as the Communique Is Abided By, There Is a Bright Future

Leaders of the two countries are also fully aware that improvement of Sino-U.S. relations is an important guarantee for maintaining peace in the Asia-Pacific region and in the world as a whole at present. However, the only obstacle between the two countries is the Taiwan issue. Beijing demands only that the United States not obstruct the effort to seek China's peaceful reunification, not insist on selling arms to Taiwan, and not hinder a peaceful solution to the Taiwan issue.

Reagan visits China just as China is taking further steps to open its door to the world and as she is entering a golden period since the founding of the country. Through the visit, Reagan will certainly gain impressions about China.

So long as China and the United States really abide by the principles in the three communiqués between the two countries, Sino-U.S. relations will surely have a bright future and also enter a "new era."

HSIN WAN PAO REPORTS WANG GUANGYING REMARKS

HK241437 Hong Kong HSIN WAN PAO in Chinese 24 Apr 84 p 1

[Report: "Everbright Industrial Company Chairman Wang Guangying on Hong Kong's Foreign Trade Growth and Advantages for Maintaining Prosperity"]

[Text] At the regular dinner meeting of the Lions Club today, Wang Guangying, chairman of the Everbright Industrial Company, delivered a speech entitled "Develop Advantages and Promote Prosperity." In his speech, he indicated: Hong Kong is a free port in the Far East with all kinds of free conditions under capitalism. In addition, it also has various advantages which provide a foundation for further prosperity in the days to come. One has no grounds for taking a pessimistic attitude toward the growth of Hong Kong's economy.

Wang Guangying indicated: Located at the southern gate of China, Hong Kong is the communications hub between the East and the West. In this connection, the other regions are unable to compare with Hong Kong at present. Take the re-export of goods through Hong Kong for example. In 1983, China ranked first in this respect, totaling HK\$12.2 billion, or an increase of 52 percent over the same period of 1982. In the first quarter of this year, there was an increase in China's re-export of goods through Hong Kong and there were also big increases in the goods of other countries which were re-exported in Hong Kong. This indicates that as a re-export market, the role of Hong Kong is becoming continuously more important rather than being weakened. This has to be attributed to Hong Kong's geographical position to a certain extent. With the vigorous development of China's economy in the future, by the year 2000 China aims to quadruple its import and export trade; so, Hong Kong will still play the role of an important channel in the re-export of goods. Furthermore, there will be a significant increase in the quantity of re-export goods. There is no doubt of this. This being the case, ports, ships, transportation, and warehouses which have connections with the re-export market should also be adapted to the needs of the developed situation, thus providing a favorable condition for Hong Kong's prosperity.

Second, in recent years, there has been an ever growing increase, a big and not a small increase, in Hong Kong's import and export trade with the mainland. This has not been affected by the 1997 question on Hong Kong's future. This deserves congratulations. The goods Hong Kong imported from the mainland in 1983 were worth HK\$42.8 billion, ranking first in Hong Kong's total volume of imported goods, or an increase of 30 percent over 1982. Compared with the same period last year, there was an increase in the importation of goods from the mainland in the first quarter of this year. On the other hand, the goods exported by Hong Kong to the mainland were worth HK\$6.2 billion, an increase of 64 percent over the same period last year, or ranking fourth in Hong Kong's total volume of exported goods. It is expected that they will rank second this year. It is only natural that Hong Kong's import and export trade with the mainland will continue to advance in the coming period.

Third, Hong Kong's industry, which used to take light and textile industries as the foundation, has made useful contributions for the prosperity of Hong Kong. Although it was afflicted for a time with the world economic recession and the 1997 issue over the last 2 years, fundamentally speaking, the progress of Hong Kong's industry has never been arrested. Judging from the industrial situation in 1983, spurred on by foreign trade, Hong Kong's industry has gradually become more active, and the number of orders received by all trades and professions has been increasing month by month, with the orders changing from short-term, small quantity ones to long-term, huge quantity ones.

The utilization of the capacity of factories has increased gradually and the rate of unemployment has decreased considerably. What warrants our particular attention is that foreign investments in industry have increased ceaselessly. According to statistics, by the end of the past year, the accumulated total volume of investments by foreign businessmen in Hong Kong's industry was at least HK\$7.83 billion, or HK\$270 million more than the 1982 figure. With this amount of investment, they set up 486 factories, or 48 factories more than the year before last. This state of affairs will play a positive, stimulating role in the development of Hong Kong's industry. Again according to statistics, there were marked increases in the Hong Kong products which were exported to the mainland -- textiles and telecommunications, recording, and acoustics equipment in particular.

Fourth, over the last few years, Hong Kong has become one of the financial centers of the world, thus giving play to its outstanding position and role. Last September, the steep fall of the Hong Kong dollar caused a storm in the money market for a short while and considerably affected the already very weak property market, but looking at the present situation, with the recovery of the Western economy and the great support of the mainland to Hong Kong's economy, the money market has gradually become stable, with an increasingly bright future ahead. Finally, Mr Wang indicated: If the investors and developers can make the best use of the situation and develop these advantages, he firmly believed, Hong Kong's economy is bound to prosper, better than expected. He asked personalities of various circles in Hong Kong to work as one, to enhance confidence, to remove all ideological worries about the 1997 issue, to be realistic, and not to be "persons like the man of Qi who was haunted by the fear that the sky might fall." Hong Kong has boundless prospects.

#### HONG KONG OFFICIALS HOLD TALKS IN BEIJING

HK231216 Hong Kong Television Broadcasts Limited in English 1100 GMT 23 Apr 84

[Text] A group of district board members and urban councillors is trying to learn more about China's plans for our future. Nancy Lee reports from Beijing:

[Begin recording] The 14 urban councillors and district board members had 2 and 1/2 hours of discussions this morning with officials from the Hong Kong and Macao Office. The meeting took place at the No 22 guest house of the office. Deputy Head Li Hou as well as Lu Ping, a member of the Chinese negotiating team in the Sino-British talks, were present.

After the meeting, some urban councillors said they've had in-depth and concrete exchange of views with Chinese officials. Urban Councillor Fung Kin-kee said that Chinese officials promised that China will prove to the people of Hong Kong its consistency in policy through practical actions within these 13 years. The people of Hong Kong were urged to look upon China's economic development from now to 1997 as an assurance of their own future.

Meanwhile, another councillor, Lee Chi-yuet, said on returning to Hong Kong after this visit, he will try to organize more people to discuss about local rule and prepare for self-administration. I asked Peter Chan what questions had actually been asked by urban councillors during the meeting and what answers had been given by Chinese officials. Mr Chan said many of the answers were confidential, as agreed upon by both sides, and only a few points could be released. [end recording]



[Begin Chan recording] They assured us that no Hong Kong people will be required to serve in the army or any military force, and for the time being, Hong Kong pays 74 percent of our defense costs, and they assured us that not a cent will be required to be paid by the Hong Kong people, and the Chinese central government will not charge one cent of our taxation. The Hong Kong taxation will be used solely for Hong Kong purpose and nothing else. [end recording]

[Begin Nancy Lee recording] The urban councillors and district board members will be leaving Beijing tomorrow, but the Hong Kong and Macao Office here will still be busy with delegations from Hong Kong. Tomorrow, head of the office, Ji Pengfei, will receive about 30 professors and lecturers from Hong Kong's post-secondary institutions and again discuss with them about the future of Hong Kong. [end recording]

#### Relay PRC Thoughts on 1997

HK250132 Hong Kong SOUTH CHINA MORNING POST in English 25 Apr 84 pp 1, 26

[Article by Mathew Leung: "Peking's Pledge on Basic Laws"]

[Text] Chinese officials have promised to give local residents two chances to comment on the mini-constitution for Hong Kong before it is finalised. This was the message given to a group of 14 Urban Councillors and district board members who recently visited Peking. Ten of them returned yesterday and many described the talks with officials as "friendly, open-minded, reassuring and sincere." However, some would not disclose contents of their talks.

An Urban Councillor, Mrs Elsie Elliott, said that since the draft proposals on the 1997 issue had not yet been finalised, this was not the appropriate time to release them.

The Hong Kong team, who spent four days in the Chinese capital, was also made aware of China's concern that Hong Kong people are still too politically immature to face up to the concept of democracy. The Chinese officials said they would like to see an improvement in political education in the next 13 years. They also encouraged more grassroots people to express their views on the 1997 issue because they are lagging behind other groups in passing opinion to Peking.

The team met the director of the Hong Kong and Macao Affairs Office, Mr Ji Pengfei; a deputy director, Mr Li Hau; and Mr Lu Ping of the Foreign Ministry's Western European Affairs Department.

Chinese officials summarised the 1997 issue for the group in five short phrases: "Return of sovereignty. Setting up of special administrative zone. Hong Kong people ruling Hong Kong. Local systems unchanged. Continuation of prosperity."

An Urban Councillor, Mr Fung Kin-kee, told reporters on his return that China had not yet worked on the basic laws for the future of Hong Kong. The work would only start after an agreement on the 1997 problem had been reached between the Chinese and British governments, he said.

Another Urban Councillor, Mr Lee Chik-yuet, said top administrators would be selected by either consultation or elections immediately after 1997, and only by elections thereafter.

The group was told that it had not yet been decided whether Hong Kong people would be allowed to take part directly in drafting the mini-constitution. "They call it the 'two up, two down' principle, meaning that the draft version of the basic laws will be sent down to Hong Kong twice for consultation, after which it will be sent back to the north," Mr Fung said.

The terms of the future agreement and the present laws of Hong Kong would be the foundations of the mini-constitution.

Mr Fung said the draft would be discussed by local people and opinions voiced would be passed to the drafting committee for consideration. Appropriate modifications would then be made and sent to local people again for discussion before Peking authorities took a final decision.

Mr Fung said Chinese officials had told them that local opinions would certainly be incorporated in the mini-constitution.

The Chinese also reiterated that they did not object to democracy in Hong Kong. However, the authorities were worried that the conditions for democracy were still lacking here and hoped political education in schools would be increased in the next 13 years. It is understood that some councillors are to lobby the Government about this in the near future.

Mr Fung said the Chinese Government would launch large-scale publicity campaigns to promote the formula of "Hong Kong people ruling Hong Kong."

Mainland officials also said local workers would have the right to strike and private property and inheritance rights would not be tampered with.

Hong Kong would be free to join international organisations, even though China was not a member.

Chinese officials also said the confidence of Hong Kong people would gradually grow as they took note of policy changes on the mainland within the next 13 years.

Mr Lee Chik-yuet said there would be two kinds of citizenship in Hong Kong. Local Chinese would hold a Hong Kong passport and foreigners who had lived in the territory for a certain time, say seven years, would also be allowed a Hong Kong passport (apart from their native country's one).

Hong Kong Chinese would be, at the same time, Chinese citizens and entitled to vote and be elected both locally and in China.

Foreign passport-holders would only have the right to vote and be elected locally.

Mr Lee was told that if people wanted to take part in elections and the administration, they would be free to form political groups.

But he noted that officials were cautious of using the term political party.

**END OF**

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